

THIS FILING IS

Item 1:  An Initial (Original) Submission OR  Resubmission No. \_\_\_\_\_

Form 1 Approved  
OMB No. 1902-0021  
(Expires 7/31/2008)  
Form 1-F Approved  
OMB No. 1902-0029  
(Expires 6/30/2007)  
Form 3-Q Approved  
OMB No. 1902-0205  
(Expires 6/30/2007)



# FERC FINANCIAL REPORT

## FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

**Exact Legal Name of Respondent (Company)**

MDU Resources Group, Inc.

**Year/Period of Report**

End of 2007/Q4



## INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

### GENERAL INFORMATION

#### I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

#### II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

#### III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: <http://www.ferc.gov/docs-filing/eforms/form-1/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

<u>Reference Schedules</u>	<u>Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

- e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of \_\_\_\_\_ for the year ended on which we have reported separately under date of \_\_\_\_\_, we have also reviewed schedules \_\_\_\_\_ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at <http://www.ferc.gov/help/how-to.asp>.

- (g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <http://www.ferc.gov/docs-filing/eforms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/eforms.asp#3Q-gas>.

#### **IV. When to Submit:**

FERC Forms 1 and 3-Q must be filed by the following schedule:

- a) FERC Form 1 for each year ending December 31 must be filed by April 18<sup>th</sup> of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

**V. Where to Send Comments on Public Reporting Burden.**

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 150 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

## GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the

termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

#### DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

## EXCERPTS FROM THE LAW

### Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; .....

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special\* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies\*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

### **General Penalties**

The Commission may assess up to \$1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

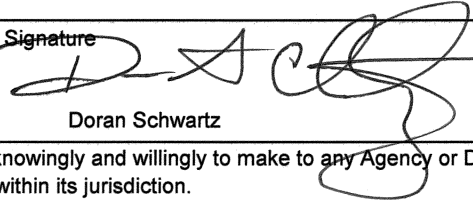
**FERC FORM NO. 1/3-Q:  
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

IDENTIFICATION		
01 Exact Legal Name of Respondent MDU Resources Group, Inc.		02 Year/Period of Report End of <u>2007/Q4</u>
03 Previous Name and Date of Change (if name changed during year)  / /		
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 400 North Fourth St, Bismarck, ND 58501-4092		
05 Name of Contact Person Doran Schwartz		06 Title of Contact Person VP and CAO
07 Address of Contact Person (Street, City, State, Zip Code) 1200 West Century Ave, Bismarck, ND, 58506-5650		
08 Telephone of Contact Person, Including Area Code (701) 530-1750	09 This Report Is (1) <input checked="" type="checkbox"/> An Original      (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 12/31/2007

**ANNUAL CORPORATE OFFICER CERTIFICATION**

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name Doran Schwartz	03 Signature  Doran Schwartz	04 Date Signed (Mo, Da, Yr) 03/21/2008
02 Title VP and CAO		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of _____ 2007/Q4
---	---	--	---

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	NA
3	Corporations Controlled by Respondent	103	
4	Officers	104	
5	Directors	105	
6	Important Changes During the Year	108-109	
7	Comparative Balance Sheet	110-113	
8	Statement of Income for the Year	114-117	
9	Statement of Retained Earnings for the Year	118-119	
10	Statement of Cash Flows	120-121	
11	Notes to Financial Statements	122-123	
12	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
13	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
14	Nuclear Fuel Materials	202-203	NA
15	Electric Plant in Service	204-207	
16	Electric Plant Leased to Others	213	NA
17	Electric Plant Held for Future Use	214	NA
18	Construction Work in Progress-Electric	216	
19	Accumulated Provision for Depreciation of Electric Utility Plant	219	
20	Investment of Subsidiary Companies	224-225	
21	Materials and Supplies	227	
22	Allowances	228-229	
23	Extraordinary Property Losses	230	NA
24	Unrecovered Plant and Regulatory Study Costs	230	NA
25	Transmission Service and Generation Interconnection Study Costs	231	NA
26	Other Regulatory Assets	232	
27	Miscellaneous Deferred Debits	233	
28	Accumulated Deferred Income Taxes	234	
29	Capital Stock	250-251	
30	Other Paid-in Capital	253	NA
31	Capital Stock Expense	254	
32	Long-Term Debt	256-257	
33	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
34	Taxes Accrued, Prepaid and Charged During the Year	262-263	
35	Accumulated Deferred Investment Tax Credits	266-267	
36	Other Deferred Credits	269	

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	NA
38	Accumulated Deferred Income Taxes-Other Property	274-275	
39	Accumulated Deferred Income Taxes-Other	276-277	
40	Other Regulatory Liabilities	278	
41	Electric Operating Revenues	300-301	
42	Sales of Electricity by Rate Schedules	304	
43	Sales for Resale	310-311	
44	Electric Operation and Maintenance Expenses	320-323	
45	Purchased Power	326-327	
46	Transmission of Electricity for Others	328-330	
47	Transmission of Electricity by ISO/RTOs	331	NA
48	Transmission of Electricity by Others	332	
49	Miscellaneous General Expenses-Electric	335	
50	Depreciation and Amortization of Electric Plant	336-337	
51	Regulatory Commission Expenses	350-351	
52	Research, Development and Demonstration Activities	352-353	NA
53	Distribution of Salaries and Wages	354-355	
54	Common Utility Plant and Expenses	356	
55	Amounts included in ISO/RTO Settlement Statements	397	NA
56	Purchase and Sale of Ancillary Services	398	NA
57	Monthly Transmission System Peak Load	400	
58	Monthly ISO/RTO Transmission System Peak Load	400a	NA
59	Electric Energy Account	401	
60	Monthly Peaks and Output	401	
61	Steam Electric Generating Plant Statistics	402-403	
62	Hydroelectric Generating Plant Statistics	406-407	NA
63	Pumped Storage Generating Plant Statistics	408-409	NA
64	Generating Plant Statistics Pages	410-411	
65	Transmission Line Statistics Pages	422-423	
66	Transmission Lines Added During the Year	424-425	

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Substations	426-427	
68	Footnote Data	450	
	Stockholders' Reports Check appropriate box: <input checked="" type="checkbox"/> Four copies will be submitted <input type="checkbox"/> No annual report to stockholders is prepared		

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**GENERAL INFORMATION**

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Doran Schwartz - Vice President and Chief Accounting Officer  
400 North Fourth Street  
Bismarck, North Dakota 58501-4092

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Delaware - March 14, 1924

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

None

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric Service - Montana, North Dakota, South Dakota, and Wyoming  
Natural Gas Service - Minnesota, Montana, North Dakota, South Dakota, and Wyoming  
Propane Service - North Dakota  
Nonutility Operations - Minnesota, Montana, North Dakota, South Dakota,  
Wyoming, Iowa, and Nebraska  
Customer Natural Gas Transportation Agency Service - Minnesota, Montana, North Dakota, South Dakota, and Wyoming  
Gas Transmission - Minnesota and North Dakota

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1)  Yes...Enter the date when such independent accountant was initially engaged:  
(2)  No

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**CORPORATIONS CONTROLLED BY RESPONDENT**

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

**Definitions**

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Centennial Energy Holdings, Inc.(1)	Holding Company	100	
2	MDU Energy Capital, LLC - (1)	Holding Company	100	
3	Prairie Cascade Energy Holdings, LLC - Z	Holding Company	100	
4	Cascade Natural Gas Corporation - AH	Gas Utility Company	100	
5	Cascade Land Leasing Co. - AD	General Purposes	100	
6	CGC Energy, Inc. - AD	Gas Management Services	100	
7	CGC Properties, Inc. - AD	General Purposes	100	
8	CGC Resources, Inc. - AD	Gas Pipeline Capacity Segm.	100	
9	Knife River Corporation - A	Construction Materials&Mining	100	
10	KRC Holdings, Inc. - B	Holding Company	100	
11	Alaska Basic Industries, Inc. - C	Construction Materials	100	
12	Ames Sand & Gravel, Inc. - C	Construction Materials	100	
13	Anchorage Sand and Gravel Company, Inc. - H	Construction Materials	100	
14	Baldwin Contracting Company, Inc. - C	Construction Materials	100	
15	Central Oregon Redi-Mix, LLC - O	Construction Materials	78	
16	Cherry Creek Aggregate, Inc. - AJ, Y	Construction Materials	100	
17	Concrete, Inc. - C	Construction Materials	100	
18	Connolly-Pacific Co. - C	Construction Materials	100	
19	DSS Company - C	Construction Materials	100	
20	Granite City Ready Mix, Inc. - C	Construction Materials	100	
21	Hap Taylor & Sons, Inc. - C	Construction Materials	100	
22	Hawaiian Cement - I	Construction Materials	100	
23	HDP Leasing, Inc. - AK, Y	Construction Materials	100	
24	JTL Group, Inc. - Montana - C	Construction Materials	100	
25	JTL Group, Inc. - Wyoming - C	Construction Materials	100	
26	Jebro Incorporated - C	Construction Materials	100	
27	Kent's Oil Service - C	Construction Materials	100	

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**CORPORATIONS CONTROLLED BY RESPONDENT**

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

**Definitions**

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	KRC Aggregate, Inc. - C	Construction Materials	100	
2	Knife River Corporation - North Central	Construction Materials	100	
3	(f/k/a Bauerly Bros, Inc.) - C			
4	Knife River Corporation - South	Construction Materials	100	
5	(f/k/a Young Contractors, Inc.) - C			
6	Knife River Dakota, Inc. - C	Construction Materials	100	
7	Knife River Hawaii, Inc. - C	Construction Materials	100	
8	Knife River Marine, Inc. - C	Construction Materials	100	
9	Knife River Midwest, LLC	Construction Materials	100	
10	(f/k/a Fred Carlson Company, LLC) - C			
11	LTM, Incorporated - C	Construction Materials	100	
12	Morse Bros., Inc. - C	Construction Materials	100	
13	Northstar Materials, Inc. - C	Construction Materials	100	
14	Rogue Aggregates, Inc. - C	Construction Materials	100	
15	WHC, Ltd. - C	Construction Materials	100	
16	Wm. Winkler Company - AP, AA	Construction Materials	100	
17	MDU Construction Services Group, Inc. - A	Holding Company	100	
18	BEH Electric Holdings, LLC - F	Holding Company	100	
19	Bell Electrical Contractors, Inc. - F	Construction Services	100	
20	BMH Mechanical Holdings, LLC - F	Holding Company	100	
21	Bombard Electric, LLC - AG	Construction Services	100	
22	Bombard Mechanical, LLC - AI	Construction Services	100	
23	Capital Electric Construction Company, Inc. -F	Construction Services	100	
24	Capital Electric Line Builders, Inc. - F	Construction Services	100	
25	Continental Line Builders, Inc. - F	Construction Services	100	
26	Coordinating and Planning Services, Inc. - F	Construction Services	100	
27	Desert Fire Holdings, Inc. - F	Holding Company	100	

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**CORPORATIONS CONTROLLED BY RESPONDENT**

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

**Definitions**

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Desert Fire Protection, LLC - AN	Holding Company	100	
2	Desert Fire Protection, a Nevada	Construction Services	100	
3	partnership - AO			
4	Desert Fire Protection, Inc. - AN	Construction Services	100	
5	E.S.I., Inc. - P	Construction Services	100	
6	Frebco, Inc. - AM	Construction Services	100	
7	Hamlin Electric Company - Q	Construction Services	100	
8	Harp Engineering, Inc. - F	Engineering Services	100	
9	Independent Fire Fabricators, LLC - AN	Construction Services	100	
10	International Line Builders, Inc. - F	Construction Services	100	
11	ILB Hawaii, Inc. - G	Construction Services	100	
12	LME&U Holdings, LLC - F	Holding Company	100	
13	Lone Mountain Excavation & Utilities, LLC - AF	Construction Services	100	
14	Loy Clark Pipeline Co. - F	Construction Services	100	
15	MDU Industrial Services, Inc. - F	Holding Company	100	
16	Midland Technical Crafts, Inc. - AM	Construction Services	100	
17	Oregon Electric Construction, Inc. - F	Construction Services	100	
18	Pouk & Steinle, Inc. - F	Construction Services	100	
19	Rocky Mountain Contractors, Inc. - F	Construction Services	100	
20	USI Industrial Services, Inc. - AM	Construction Services	100	
21	Wagner Group, Inc., The - F	Holding Company	100	
22	Wagner Industrial Electric, Inc. - AM	Holding Company	100	
23	Wagner-Smith Company, The - P	Construction Services	100	
24	Wagner-Smith Equipment Co. - F	Construction Services	100	
25	Wagner-Smith Pumps & Systems, Inc. - P	Construction Services	100	
26	WBI Holdings, Inc. - A	Holding Company	100	
27	WBI Pipeline & Storage Group, Inc. - E	Holding Company	100	

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**CORPORATIONS CONTROLLED BY RESPONDENT**

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

**Definitions**

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Williston Basin Interstate Pipeline Company -L	Natural Gas Transmission	100	
2	WBI Canadian Pipeline, Ltd. - L	Natural Gas Trans & Storage	100	
3	Bitter Creek Pipelines, LLC - L	Natural Gas Gathering	100	
4	WBI Energy Services, Inc. - E	Holding Company	100	
5	Innovatum International Limited - AE	Pipeline and Cable Mag/Locate	100	
6	Prairielands Energy Marketing, Inc. - J	Energy Marketing	100	
7	Fidelity Exploration & Production Company - E	Oil & Natural Gas Production	100	
8	Fidelity Exploration & Production Company	Oil & Gas Production	82.5	
9	of Texas LLC - V			
10	Fidelity Oil Co. - K	Oil & Natural Gas Production	100	
11	Seven Brothers Ranches, Inc. - K	Oil & Natural Gas Production	100	
12	Clearflame, LLC - K	Energy Production	100	
13	Netricity LLC - V	Electric Generation	75	
14	Centennial Energy Resources LLC - A	Holding Company	100	
15	Aquifirst, Inc. - D, Y	Water Development	100	
16	Centennial Energy Holdings Trinidad LLC - W	Holding Company	100	
17	Centennial Energy Resources	Holding Company	100	
18	International, Inc. - D			
19	Centennial Power, Inc. - D, AA	Independent Power Producer	100	
20	Colorado Energy Management, LLC - D, AA	IPP Management Company	100	
21	Centennial Holdings Capital LLC - A	Holding Company	100	
22	FutureSource Capital Corp. - R	Asset Management	100	
23	InterSource Insurance Company - R	Captive Insurance Company	100	
24	MDU Resources Luxembourg I LLC S.a.r.l. - W	Holding Company	100	
25	MDU Resources Luxembourg II LLC S.a.r.l. - AC	Holding Company	100	
26	MDU Brasil Ltda. - X	Holding Company	100	
27	MDU Norte Transmissao de Energia Ltda. - AQ	Holding Company	99	

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**CORPORATIONS CONTROLLED BY RESPONDENT**

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

**Definitions**

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	MDU Sul Transmissao de Energia Ltda. - AQ	Holding Company	99	
2	MDU Resources International LLC - W	Holding Company	100	
3	MDU Chile Inversiones Ltda. - AB	Holding Company	100	
4	(1)-Direct subsidiary of MDU Resources			
5	Group, Inc.			
6	A-100% held by Centennial Energy Holdings, Inc			
7	B-100% held by Knife River Corporation			
8	C-100% held by KRC Holdings, Inc.			
9	D-100% held by Centennial Energy Resources LLC			
10	E-100% held by WBI Holdings, Inc.			
11	F-100% held by MDU Construction Services			
12	Group, Inc.			
13	G-100% held by International Line Builders,			
14	Inc.			
15	H-100% held Alaska Basic Industries, Inc.			
16	I-Partners include Knife River Hawaii, Inc.			
17	(50%) and Knife River Dakota, Inc. (50%)			
18	J-100% held by WBI Energy Services, Inc.			
19	K-100% held by Fidelity Exploration &			
20	Production Company			
21	L-100% held by WBI Pipeline & Storage			
22	Group, Inc.			
23	M-Reserved for future use			
24	N-Reserved for future use			
25	O-78% held by Hap Taylor & Sons, Inc.			
26	P-100% held by The Wagner Group, Inc.			
27	Q-100% held by Rocky Mountain			

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**CORPORATIONS CONTROLLED BY RESPONDENT**

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

**Definitions**

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Contractors, Inc.			
2	R-100% held by Centennial Holdings			
3	Capital LLC			
4	S-Reserved for future use			
5	T-Reserved for future use			
6	U-Reserved for future use			
7	V-Interest held by Fidelity Exploration			
8	& Production Company			
9	W-100% held by Centennial Energy Resources			
10	International, Inc.			
11	X-99.9999% held by MDU Resources Luxembourg			
12	I LLC S.a.r.l. and .0001% held by			
13	Centennial Energy Resources International,			
14	Inc.			
15	Y-Entity was dissolved through merger with			
16	affiliate or dissolution			
17	Z-100% held by MDU Energy Capital, LLC			
18	AA-Equity interests sold to 3rd party			
19	AB-99.9% held by MDU Resources International			
20	LLC and 0.1% held by Centennial Energy			
21	Resources International, Inc.			
22	AC-100% held by MDU Resources Luxembourg I			
23	LLC S.a.r.l.			
24	AD-100% held by Cascade Natural			
25	Gas Corporation			
26	AE-100% held by Prairielands Energy Marketing,			
27	Inc.			

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of _____ 2007/Q4
---	---	--	---

**CORPORATIONS CONTROLLED BY RESPONDENT**

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

**Definitions**

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	AF-100% held by LME&U Holdings, LLC			
2	AG-100% held by BEH Electric Holdings, LLC			
3	AH-100% held by Prairie Cascade			
4	Energy Holdings, LLC			
5	AI-100% held by BMH Mechanical Holdings, LLC			
6	AJ-100% held by Rogue Aggregates, Inc.			
7	AK-100% held by LTM, Incorporated			
8	AL-Reserved for future use			
9	AM-100% held by MDU Industrial Services, Inc.			
10	AN-100% held by Desert Fire Holdings, Inc.			
11	AO-Partners include Desert Fire Protection,			
12	LLC (99%) and Desert Fire Holdings, Inc. (1%)			
13	AP-100% held by Hap Taylor and Sons, Inc.			
14	AQ-99.9999% owned by MDU Brasil Ltda.			
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**OFFICERS**

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1			
2	President and Chief Executive Officer	Terry D. Hildestad	
3			
4	President and Chief Executive Officer of Montana-	Bruce T. Imsdahl	
5	Dakota Utilities Co. and Great Plains Natural		
6	Gas Co.; Chief Executive Officer of Cascade Natural		
7	Gas Corp.		
8			
9	Executive Vice President - Administration	John K. Castleberry	
10			
11	Vice President - Administration	Cynthia J Norland	
12			
13	Executive Vice President, Treasurer and Chief	Vernon A. Raile	
14	Financial Officer		
15			
16	Vice President - Human Resources	Cindy C. Redding	
17			
18	Vice President - Human Resources	Mark Del Vecchio	
19			
20	General Counsel and Secretary	Paul K. Sandness	
21			
22	Controller	Nicole A. Kivisto	
23			
24	Vice President and Chief Accounting Officer	Doran N. Schwartz	
25			
26	Vice President - Strategic Planning	John P. Stumpf	
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 104 Line No.: 4 Column: b**

Bruce T. Imsdahl was named Chief Executive Officer of Cascade Natural Gas Corp. effective July 2, 2007. He will retire effective June 5, 2008. David L. Goodin will assume the position of President of Montana-Dakota Utilities Co. and Great Plains Natural Gas Co. effective March 1, 2008. He continues as President of Cascade Natural Gas Corp.

**Schedule Page: 104 Line No.: 9 Column: b**

John K. Castleberry retired on July 6, 2007.

**Schedule Page: 104 Line No.: 11 Column: b**

Cynthia J. Norland was named Vice President of Administration effective July 16, 2007.

**Schedule Page: 104 Line No.: 16 Column: b**

Cindy C. Redding resigned on July 6, 2007.

**Schedule Page: 104 Line No.: 18 Column: b**

Mark Del Vecchio was named Vice President of Human Resources effective October 1, 2007.

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**DIRECTORS**

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Harry J. Pearce, Chairman of the Board	Detroit, Michigan
2		
3	Terry D. Hildestad, President and Chief Executive Officer	Bismarck, North Dakota
4		
5	Thomas Everist	Sioux Falls, South Dakota
6		
7	Karen B. Fagg	Billings, Montana
8		
9	Dennis W. Johnson	Dickinson, North Dakota
10		
11	Richard H. Lewis	Denver, Colorado
12		
13	Patricia L. Moss	Bend, Oregon
14		
15	John L. Olson	Sidney, Montana
16		
17	Sister Thomas Welder, O.S.B.	Bismarck, North Dakota
18		
19	John K. Wilson	Omaha, Nebraska
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		
48		

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	------------------------------	---

**IMPORTANT CHANGES DURING THE QUARTER/YEAR**

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK  
SEE PAGE 109 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.		12/31/2007	2007/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. The Respondent renewed franchises in the fourth quarter 2007 in Bismarck, Wahpeton, Heil, Hettinger and Leith, North Dakota. Monango, ND, franchise was executed 6/7/07, but not filed with the city auditor until 12/31/07.

2. On July 2, 2007, the Respondent, MDU Resources Group, Inc. ("MDU Resources"), finalized a merger agreement with Cascade Natural Gas Corp. ("Cascade"), whereby MDU Resources acquired Cascade. Under the terms of the agreement, MDU Resources acquired Cascade for \$26.50 per share in cash. The total value of the transaction, including certain indebtedness, was approximately \$475 million.

Cascade joins Montana-Dakota Utilities Co. and Great Plains Natural Gas Co. as MDU Resources utility business units. Montana-Dakota and Great Plains serve over 256,000 natural gas customers and over 120,000 electric customers in five Upper Midwest states. Cascade serves over 250,000 customers in 93 communities - 65 of which are in Washington and 28 in Oregon. Cascade's service areas are concentrated in western and south central Washington and south central and eastern Oregon.

The merger between the Respondent and Cascade was authorized by the following Orders: by the Minnesota Public Utilities Commission by an Order dated March 23, 2007 in Docket No. G-004/PA-06-1585; by the North Dakota Public Service Commission by an Order dated March 21, 2007 in Case No. PU-06-491; by the Public Utility Commission of Oregon by an Order dated June 5, 2007 in Order No. 07-221, as amended on July 25, 2007 in Order No. 07-320; and by the Washington State Utilities and Transportation Commission by an Order with a service date of June 27, 2007 in Docket No. UG-061721, Order 06.

A subsidiary of the Respondent acquired all of the issued and outstanding capital stock of Ames Sand & Gravel, Inc. ("Ames") in a stock-for-stock transaction. Ames is a ready-mixed concrete operation located in Fargo, North Dakota.

A subsidiary of the Respondent acquired all of the issued and outstanding membership interests of Lone Mountain Excavation & Utilities, LLC ("Lone Mountain") in a cash-for-membership interests transaction. Lone Mountain is a specialty excavation and utilities contractor specializing in trenching work providing underground utility feeds to commercial facilities. Lone Mountain is headquartered in Las Vegas, Nevada.

A subsidiary of the Respondent acquired all of the issued and outstanding capital stock of Star Aggregates, Inc. ("Star Aggregates") in a stock-for-stock transaction. Star Aggregates supplies aggregate and asphalt to customers and has permitted aggregate reserves in the Cheyenne, Wyoming market.

A subsidiary of the Respondent acquired the assets of Quality Concrete & Materials Co., Ltd. ("Quality Concrete") in a cash-for-partnership interests transaction and subsequent restructuring. Quality Concrete is a ready-mix concrete and aggregate materials supplier headquartered in Beaumont, Texas.

A subsidiary of the Respondent acquired the assets of the Lampasas Quarry operation, a hard-rock aggregate reserve, located near Lampasas, Texas. The quarry's products include aggregate, asphalt rock, seal coat rock, and rip rap.

A subsidiary of the Respondent acquired the ready-mix division of Dakota Ready-Mix, Inc. located in Bismarck, ND. The transaction includes DRM's ready-mix concrete plant, ready-mix trucks, and shop and office facilities. The transaction does not include DRM's construction division.

All of the original issue shares of the Respondent's common stock issued in connection with acquisitions were authorized by the following orders: (a) by the Federal Energy Regulatory Commission by an Order dated September 13, 2006 (effective October 27, 2006) in Docket No. ES06-60-000; (b) by the Montana Public Service Commission by an Order dated August 29, 2006 in Docket No. D2006.8.120, Default Order No. 6767; and (c) by the Public

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	12/31/2007	2007/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

Service Commission of Wyoming by an Order dated October 6, 2006 (effective October 2, 2006) in Docket No. 30013-178-GS-06 (Record No. 10739).

In 2007, the Respondent issued 534,531 original issue shares of the Respondent's Common Stock as part of the consideration paid for all of the issued and outstanding capital stock with respect to businesses acquired during this period and earn-out consideration with respect to prior years' acquisitions. The total purchase consideration for the acquisitions in 2007 and the earn-out consideration from prior years' acquisitions, consisting of cash and the Respondent's common stock was \$526.3 million.

3. None.

4. None, other than normal renewal of leaseholds in the normal course of business.

5. None.

6. The Respondent's commercial paper borrowings were \$61,000,000 at December 31, 2007. The issuance of commercial paper is authorized pursuant to the following orders:

On December 13, 2006, the Respondent received FERC authorization to incur short-term indebtedness in an amount not to exceed \$150,000,000. This authorization was granted in Docket No. ES07-6-000.

On November 28, 2006, the Respondent received the same authorization from the state of Montana. This order authorized the Respondent to issue up to \$150,000,000 in short-term indebtedness. This authorization was granted in Docket No. D2006-11-165, Default Order No. 6788.

7. At the Respondent's annual meeting of stockholders on April 24, 2007, the stockholders approved amendments to Article FOURTH and Article THIRTEENTH of the Respondent's certificate of incorporation, as amended and restated. (These amendments were effective upon filing with the Delaware Secretary of State after the annual meeting of stockholders.) The amendment to Article FOURTH increased the number of authorized shares of common stock from 250 million to 500 million shares. The amendment to Article THIRTEENTH declassified the Board of Directors with the result that, commencing in 2008, each directorship whose three-year term is ending will be elected annually, the director to serve until the next annual meeting or until his or her earlier resignation or termination from the Board. Directors elected in 2007 will, along with the directors elected at the annual meeting of stockholders in 2005 and 2006, serve their full three-year terms.

The Respondent filed a Restated Certificate of Incorporation ("Restated Certificate") with the Delaware Secretary of State on May 17, 2007. The Restated Certificate merely restates and integrates, but does not further amend, the Certificate of Incorporation, as previously amended or supplemented.

8. Wage increases to nonunion employees averaged 4.07% in 2007. Wage increases to union employees averaged 4.14% effective June 11, 2007. The estimated annualized impact of the increases amounted to approximately \$2,664,000.

9. See Note 20 of the Notes to Financial Statements contained on pages 123.43 through 123.51.

10. None.

11. None.

12. None.

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

13. Bruce T. Imsdahl was named Chief Executive Officer of Cascade Natural Gas Corp. effective July 2, 2007. He will retire effective June 5, 2008. David L. Goodin will assume the position of President of Montana-Dakota Utilities Co. and Great Plains Natural Gas Co. effective March 1, 2008. He continues as President of Cascade Natural Gas Corp.

John K. Castleberry, Executive Vice President of Administration, retired on July 6, 2007.

Cynthia J. Norland was named Vice President of Administration effective July 16, 2007

Cindy C. Redding, Vice President of Human Resources, resigned on July 6, 2007.

Mark Del Vecchio was named Vice President of Human Resources effective October 1, 2007.

14. Not applicable.

**BLANK PAGE**

**(Next Page is 110)**

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
<b>1</b>	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	1,015,157,478	972,316,986
3	Construction Work in Progress (107)	200-201	69,763,782	17,969,079
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		1,084,921,260	990,286,065
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	598,947,512	580,546,518
6	Net Utility Plant (Enter Total of line 4 less 5)		485,973,748	409,739,547
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		485,973,748	409,739,547
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		2,757,982	3,893,518
<b>17</b>	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)		3,117,373	2,657,836
19	(Less) Accum. Prov. for Depr. and Amort. (122)		1,013,133	910,813
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	2,284,551,173	1,950,702,048
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		40,972,687	37,506,147
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		2,327,628,100	1,989,955,218
<b>33</b>	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		2,633,013	17,325,263
36	Special Deposits (132-134)		1,200	1,200
37	Working Fund (135)		163,690	80,790
38	Temporary Cash Investments (136)		422,455	736,071
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		27,981,262	33,082,491
41	Other Accounts Receivable (143)		3,357,347	3,620,779
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		230,059	284,641
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		30,629,676	23,870,580
45	Fuel Stock (151)	227	4,055,099	4,006,441
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	9,128,932	7,733,344
49	Merchandise (155)	227	1,470,096	1,445,448
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		18,158,827	29,714,379
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		4,425,641	4,753,587
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		39,762,227	35,632,536
62	Miscellaneous Current and Accrued Assets (174)		184,014	1,774,615
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		142,143,420	163,492,883
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)		893,195	955,806
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets (182.3)	232	20,474,249	25,546,923
73	Prelim. Survey and Investigation Charges (Electric) (183)		766,627	449,996
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		17,318	66,452
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		-49,436	-142,924
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	30,878,709	19,052,180
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		10,604,809	11,231,577
82	Accumulated Deferred Income Taxes (190)	234	37,651,678	34,268,544
83	Unrecovered Purchased Gas Costs (191)		3,474,582	-7,516,468
84	Total Deferred Debits (lines 69 through 83)		104,711,731	83,912,086
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		3,063,214,981	2,650,993,252

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 12/31/2007	Year/Period of Report end of <u>2007/Q4</u>
---	---	--	--

**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	182,946,528	181,557,543
3	Preferred Stock Issued (204)	250-251	15,000,000	15,000,000
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	916,218,614	877,665,566
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	3,412,569	3,412,569
11	Retained Earnings (215, 215.1, 216)	118-119	303,634,911	53,187,450
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	1,129,950,735	1,051,023,038
13	(Less) Required Capital Stock (217)	250-251	3,625,813	3,625,813
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-9,393,173	-6,482,400
16	Total Proprietary Capital (lines 2 through 15)		2,531,319,233	2,164,912,815
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	150,500,000	157,000,000
19	(Less) Required Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	61,800,000	26,650,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		2,417	2,997
24	Total Long-Term Debt (lines 18 through 23)		212,297,583	183,647,003
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		1,821,121	1,057,598
29	Accumulated Provision for Pensions and Benefits (228.3)		45,052,837	41,940,504
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	1,567,886
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		2,518,372	3,128,412
35	Total Other Noncurrent Liabilities (lines 26 through 34)		49,392,330	47,694,400
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		49,239,911	32,330,118
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		9,391,348	18,146,315
41	Customer Deposits (235)		2,340,670	2,322,058
42	Taxes Accrued (236)	262-263	19,382,784	15,637,578
43	Interest Accrued (237)		2,664,504	2,800,536
44	Dividends Declared (238)		26,619,224	24,606,427
45	Matured Long-Term Debt (239)		0	0

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Rresubmission	Date of Report (mo, da, yr) 12/31/2007	Year/Period of Report end of 2007/Q4
---	--	--	---

**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)** (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		1,525,151	1,824,219
48	Miscellaneous Current and Accrued Liabilities (242)		25,405,080	21,263,357
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		136,568,672	118,930,608
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		3,342,874	2,604,275
57	Accumulated Deferred Investment Tax Credits (255)	266-267	609,529	965,261
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	46,514,581	47,443,787
60	Other Regulatory Liabilities (254)	278	10,023,560	11,145,347
61	Unamortized Gain on Reacquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		61,172,778	65,594,590
64	Accum. Deferred Income Taxes-Other (283)		11,973,841	8,055,166
65	Total Deferred Credits (lines 56 through 64)		133,637,163	135,808,426
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		3,063,214,981	2,650,993,252

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**STATEMENT OF INCOME**

**Quarterly**

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

**Annual or Quarterly if applicable**

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	479,711,278	507,433,845		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	376,331,906	409,770,057		
5	Maintenance Expenses (402)	320-323	18,240,027	20,352,105		
6	Depreciation Expense (403)	336-337	29,408,715	28,089,428		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	2,257,001	2,188,878		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337	557,863	892,907		
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	13,307,800	13,562,647		
15	Income Taxes - Federal (409.1)	262-263	11,041,912	7,882,408		
16	- Other (409.1)	262-263	1,334,554	1,417,453		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	43,796,440	21,260,040		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	47,575,113	24,019,972		
19	Investment Tax Credit Adj. - Net (411.4)	266				
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		448,701,105	481,395,951		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		31,010,173	26,037,894		

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
- 11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
189,941,801	179,806,737	289,769,477	327,627,108			2
						3
113,443,902	106,336,001	262,888,004	303,434,056			4
15,057,765	17,159,941	3,182,262	3,192,164			5
20,509,629	19,526,451	8,899,086	8,562,977			6
						7
1,536,588	1,455,502	720,413	733,376			8
414,260	414,260	143,603	478,647			9
						10
						11
						12
						13
7,879,928	7,960,152	5,427,872	5,602,495			14
7,999,500	6,984,835	3,042,412	897,573			15
985,053	1,287,092	349,501	130,361			16
26,475,998	11,206,991	17,320,442	10,053,049			17
27,243,957	12,559,298	20,331,156	11,460,674			18
						19
						20
						21
						22
						23
						24
167,058,666	159,771,927	281,642,439	321,624,024			25
22,883,135	20,034,810	8,127,038	6,003,084			26

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**STATEMENT OF INCOME FOR THE YEAR (continued)**

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		31,010,173	26,037,894		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		15,150,624	14,331,645		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		13,367,647	13,097,831		
33	Revenues From Nonutility Operations (417)		12,061,773	10,576,887		
34	(Less) Expenses of Nonutility Operations (417.1)		8,421,461	8,092,471		
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119	405,457,963	294,990,232		
37	Interest and Dividend Income (419)		3,458,922	3,876,037		
38	Allowance for Other Funds Used During Construction (419.1)		1,230,086			
39	Miscellaneous Nonoperating Income (421)		-17,382	317,771		
40	Gain on Disposition of Property (421.1)		163,976	656,352		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		415,716,854	303,558,622		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		1,178	5,784		
44	Miscellaneous Amortization (425)	340				
45	Donations (426.1)	340	265,260	285,826		
46	Life Insurance (426.2)					
47	Penalties (426.3)		2,219	512		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		57,205	46,438		
49	Other Deductions (426.5)		301,071	154,298		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		626,933	492,858		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	658	646		
53	Income Taxes-Federal (409.2)	262-263	-240,162	2,952,743		
54	Income Taxes-Other (409.2)	262-263	66,438	817,063		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	3,444,119	470,661		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	224,152	867,847		
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)		355,732	404,892		
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		2,691,169	2,968,374		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		412,398,752	300,097,390		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		10,758,084	9,345,667		
63	Amort. of Debt Disc. and Expense (428)		63,191	92,102		
64	Amortization of Loss on Reaquired Debt (428.1)		626,768	664,192		
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)	340				
68	Other Interest Expense (431)	340	1,173,325	689,641		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,332,792	413,791		
70	Net Interest Charges (Total of lines 62 thru 69)		11,288,576	10,377,811		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		432,120,349	315,757,473		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		432,120,349	315,757,473		

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 114 Line No.: 2 Column: c**

Per Docket No. RM04-12-000; Order No. 668: Operating Revenue offset by Sales for Resale fuel and purchased power costs of \$2,413,319.

**Schedule Page: 114 Line No.: 2 Column: d**

Per Docket No. RM04-12-000; Order No. 668: Operating Revenue offset by Sales for Resale fuel and purchased power costs of \$6,291,612.

**Schedule Page: 114 Line No.: 2 Column: g**

Per Docket No. RM04-12-000; Order No. 668: Operating Revenue offset by Sales for Resale fuel and purchased power costs of \$2,413,319.

**Schedule Page: 114 Line No.: 2 Column: h**

Per Docket No. RM04-12-000; Order No. 668: Operating Revenue offset by Sales for Resale fuel and purchased power costs of \$6,291,612.

**Schedule Page: 114 Line No.: 4 Column: c**

Per Docket No. RM04-12-000; Order No. 668: Operation Expenses reduced by Sales for Resale fuel and purchased power costs of \$2,413,319.

**Schedule Page: 114 Line No.: 4 Column: d**

Per Docket No. RM04-12-000; Order No. 668: Operation Expenses reduced by Sales for Resale fuel and purchased power costs of \$6,291,612.

**Schedule Page: 114 Line No.: 4 Column: g**

Per Docket No. RM04-12-000; Order No. 668: Operation Expenses reduced by Sales for Resale fuel and purchased power costs of \$2,413,319.

**Schedule Page: 114 Line No.: 4 Column: h**

Per Docket No. RM04-12-000; Order No. 668: Operation Expenses reduced by Sales for Resale fuel and purchased power costs of \$6,291,612.

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**STATEMENT OF RETAINED EARNINGS**

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>			
1	Balance-Beginning of Period		53,187,450	48,122,299
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Fin 48 adjustment	236	69,222	
5	Close-out Kesop Dividend equivalents	242	55,725	
6	Sale of IPP line of business	216	230,000,000	
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)		230,124,947	
10	Dividend equivalents on stock based compensation	253	-260,447	( 167,093)
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)		-260,447	( 167,093)
16	Balance Transferred from Income (Account 433 less Account 418.1)		26,662,386	20,767,241
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24	4.5%	238	-450,004	( 450,005)
25	4.7%	238	-235,000	( 235,000)
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)		-685,004	( 685,005)
30	Dividends Declared-Common Stock (Account 438)			
31		238	-101,969,421	( 94,421,992)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-101,969,421	( 94,421,992)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings		96,575,000	79,572,000
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		303,634,911	53,187,450
	<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>			

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**STATEMENT OF RETAINED EARNINGS**

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
39				
40				
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		303,634,911	53,187,450
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)		1,051,023,038	836,672,917
50	Equity in Earnings for Year (Credit) (Account 418.1)		405,457,963	294,990,232
51	(Less) Dividends Received (Debit)		96,575,000	79,572,000
52			-229,955,266	( 1,068,111)
53	Balance-End of Year (Total lines 49 thru 52)		1,129,950,735	1,051,023,038

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 118 Line No.: 52 Column: c**

Sale of IPP line of business	(\$230,000,000)
Dividend equivalents on stock based compensation - CEHI	48,341
Dividend equivalents on stock based compensation - MDU EC	(3,607)

**Schedule Page: 118 Line No.: 52 Column: d**

Dividend equivalents on stock based compensation	(\$1,068,111)
--	---------------

**BLANK PAGE**

**(Next Page is 120)**

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**STATEMENT OF CASH FLOWS**

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.  
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.  
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.  
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	432,120,349	315,757,473
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	32,223,579	31,171,213
5	Amortization of		
6	Loss on Reacquired Debt, Bond Discount and Debt Exp	689,959	756,294
7			
8	Deferred Income Taxes (Net)	496,230	-2,826,505
9	Investment Tax Credit Adjustment (Net)	-355,732	-404,892
10	Net (Increase) Decrease in Receivables	-1,449,017	15,992,191
11	Net (Increase) Decrease in Inventory	10,086,658	-10,403,390
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	17,597,389	7,285,432
14	Net (Increase) Decrease in Other Regulatory Assets	-4,000,748	-4,072,255
15	Net Increase (Decrease) in Other Regulatory Liabilities	-1,329,929	505,037
16	(Less) Allowance for Other Funds Used During Construction	1,230,086	413,791
17	(Less) Undistributed Earnings from Subsidiary Companies	405,457,963	294,990,232
18	Other (provide details in footnote):		
19	Unrecovered Purchased Gas Costs	-10,991,050	8,207,233
20	Net change in Other Current & Accrued Assets	-2,211,144	10,448,512
21	Other Noncurrent changes	10,897,667	19,348,504
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	77,086,162	96,360,824
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-110,629,425	-54,440,664
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant	-14,770,682	-4,007,342
29	Gross Additions to Nonutility Plant	-455,601	-213,856
30	(Less) Allowance for Other Funds Used During Construction	-1,230,086	-413,791
31	Other (provide details in footnote):	-281,230,210	
32	Gas in Underground Storage- Noncurrent	1,135,536	-1,001,190
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-404,720,296	-59,249,261
35			
36	Acquisition of Other Noncurrent Assets (d)	-3,097,384	-95,820
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies	349,928,275	51,751,331
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**STATEMENT OF CASH FLOWS**

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.  
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.  
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.  
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase ) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54	Depreciation of nonutility plant	102,657	89,364
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-57,786,748	-7,504,386
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	35,250,000	100,000,000
62	Preferred Stock		
63	Common Stock	39,942,033	20,932,376
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	75,192,033	120,932,376
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-6,600,000	-102,350,000
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
77	Adjustment to Retained Earnings	-159,988	-9,755,039
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock	-685,004	-685,005
81	Dividends on Common Stock	-101,969,421	-94,421,992
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	-34,222,380	-86,279,660
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-14,922,966	2,576,778
87			
88	Cash and Cash Equivalents at Beginning of Period	18,142,124	15,565,346
89			
90	Cash and Cash Equivalents at End of period	3,219,158	18,142,124

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 120 Line No.: 6 Column:**

Adjustment reflecting non-cash reclass of unamortized debt expense \$344,062  
Adjustment reflecting non-cash reclass of loss on reacquired debt \$8,519,835

**Schedule Page: 120 Line No.: 8 Column: b**

Adjustment reflecting non-cash reclass for utility OCI (\$24,404)  
Adjustment reflecting reclassification of GPNG acquisition adjustment (\$4,358,097)

**Schedule Page: 120 Line No.: 13 Column: b**

Adjustment reflecting non-cash reclass for FIN 48 \$40,675

**Schedule Page: 120 Line No.: 13 Column:**

Adjustment reflecting non-cash reclass for KESOP/ restricted stock close out \$2,478,261

**Schedule Page: 120 Line No.: 14 Column: b**

Adjustment reflecting non-cash reclass for gas plant site ARO settlement (\$66,452)  
Adjustment reflecting non-cash reclass for utility OCI \$9,139,874

**Schedule Page: 120 Line No.: 14 Column:**

Adjustment reflecting non-cash reclass for SFAS 158 \$18,676,950

**Schedule Page: 120 Line No.: 15 Column: b**

Adjustment reflecting non-cash reclass for utility OCI (\$401,898)

**Schedule Page: 120 Line No.: 20 Column:**

Adjustment reflecting non-cash reclass for KESOP/ restricted stock close out \$974,635

**Schedule Page: 120 Line No.: 21 Column: b**

Adjustment reflecting non-cash reclass for gas plant site ARO settlement \$66,452  
Adjustment reflecting reclassification of GPNG acquisition adjustment \$4,358,097  
Adjustment reflecting non-cash reclass for utility OCI (\$8,344,416)  
Adjustment reflecting non-cash reclass for FIN 48 (\$109,897)

**Schedule Page: 120 Line No.: 21 Column:**

Adjustment reflecting non-cash reclass for SFAS 158 (\$18,676,950)  
Adjustment reflecting non-cash reclass of unamortized debt expense (\$ 344,062)  
Adjustment reflecting non-cash reclass of utility non-cash OCI (\$ 746,254)

**Schedule Page: 120 Line No.: 31 Column: b**

Acquisition of Cascade Natural Gas Corporation on July 2, 2007.

**Schedule Page: 120 Line No.: 36 Column: b**

Adjustment reflecting non-cash reclass for utility OCI (\$369,156)

**Schedule Page: 120 Line No.: 36 Column:**

Adjustment reflecting non-cash reclass for KESOP/ restricted stock close out \$2,156,629

**Schedule Page: 120 Line No.: 42 Column: b**

Includes \$96,575,000 in dividends from Associated and Subsidiary Companies reduced by \$27,876,935 invested in Associated and Subsidiary Companies offset by \$281,230,210 proceeds from sale of IPP line of business

**Schedule Page: 120 Line No.: 42 Column:**

Includes \$79,572,000 in dividends from Associated and Subsidiary Companies reduced by \$27,820,669 invested in Associated and Subsidiary Companies

**Schedule Page: 120 Line No.: 63 Column: b**

Adjustment reflecting non-cash reclass for paid-in-capital OCI (\$2,910,773)

**Schedule Page: 120 Line No.: 63 Column:**

Adjustment reflecting non-cash reclass for KESOP/ restricted stock close out (\$5,609,525)  
Adjustment reflecting non-cash reclass for paid-in-capital OCI (\$27,333,731)

**Schedule Page: 120 Line No.: 77 Column: b**

Dividend equivalents on stock based compensation (\$159,988)  
Fin 48 Adjustment \$ 69,222  
Adjustment reflecting non-cash reclass for FIN 48 (\$ 69,222)

**Schedule Page: 120 Line No.: 77 Column:**

Adjustment reflecting non-cash reclass of loss on reacquired debt (\$8,519,835)  
Dividend equivalents on stock-based compensation (\$1,235,204)

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	------------------------------	--

**NOTES TO FINANCIAL STATEMENTS**

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK  
 SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The consolidated financial statements of the Company include the accounts of the following businesses: electric, natural gas distribution, construction services, pipeline and energy services, natural gas and oil production, construction materials and contracting, and other. The electric, natural gas distribution, and pipeline and energy services businesses are substantially all regulated. Construction services, natural gas and oil production, construction materials and contracting, and other are nonregulated. For further descriptions of the Company's businesses, see Note 16. The statements also include the ownership interests in the assets, liabilities and expenses of two jointly owned electric generating facilities.

The Company's regulated businesses are subject to various state and federal agency regulations. The accounting policies followed by these businesses are generally subject to the Uniform System of Accounts of the FERC. These accounting policies differ in some respects from those used by the Company's nonregulated businesses.

The Company's regulated businesses account for certain income and expense items under the provisions of SFAS No. 71. SFAS No. 71 requires these businesses to defer as regulatory assets or liabilities certain items that would have otherwise been reflected as expense or income, respectively, based on the expected regulatory treatment in future rates. The expected recovery or flowback of these deferred items generally is based on specific ratemaking decisions or precedent for each item. Regulatory assets and liabilities are being amortized consistently with the regulatory treatment established by the FERC and the applicable state public service commissions. See Note 6 for more information regarding the nature and amounts of these regulatory deferrals.

**Cash and cash equivalents**

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**Allowance for doubtful accounts**

The Company's allowance for doubtful accounts as of December 31, 2007 and 2006, was \$14.6 million and \$7.7 million, respectively.

**Natural gas in underground storage**

Natural gas in underground storage for the Company's regulated operations is generally carried at cost using the last-in, first-out method. The portion of the cost of natural gas in underground storage expected to be used within one year was included in inventories and was \$28.8 million and \$32.6 million at December 31, 2007 and 2006, respectively. The remainder of natural gas in underground storage, which represents the cost of the gas required to maintain pressure levels for normal operating purposes, was included in other assets and was \$43.0 million and \$44.2 million at December 31, 2007 and 2006, respectively.

**Inventories**

Inventories, other than natural gas in underground storage for the Company's regulated operations, consisted primarily of aggregates held for resale of \$102.2 million and \$88.1 million, materials and supplies of \$56.0 million and \$54.1 million, and other inventories of \$42.3 million and \$29.6 million, as of December 31, 2007 and 2006, respectively. These inventories were stated at the lower of average cost or market value.

**Short-term investments**

The Company had auction rate securities of \$91.6 million and \$23.3 million at December 31, 2007 and 2006, respectively, which are long-term variable rate bonds tied to short-term interest rates that are reset through an auction process which typically occurs every 90 days or less. The Company accounts for these investments as available-for-sale in accordance with SFAS No. 115. Due to the short interest rate reset period, the fair value of the auction rate securities approximates cost and, as a result, there are no

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

accumulated unrealized gains or losses recorded in accumulated other comprehensive income on the Consolidated Balance Sheets related to these investments.

**Investments**

The Company's investments include its equity method investments as discussed in Note 4, the cash surrender value of life insurance policies, and investments in fixed-income and equity securities which are accounted for as available-for-sale investments in accordance with SFAS No. 115. Under the equity method, investments are initially recorded at cost and adjusted for dividends and undistributed earnings and losses. The Company's fixed-income and equity securities are recorded at fair value with any unrealized gains and losses, net of income taxes, recorded in accumulated other comprehensive income (loss) on the Consolidated Balance Sheets until realized. For more information, see comprehensive income in this note.

**Property, plant and equipment**

Additions to property, plant and equipment are recorded at cost. When regulated assets are retired, or otherwise disposed of in the ordinary course of business, the original cost of the asset is charged to accumulated depreciation. With respect to the retirement or disposal of all other assets, except for natural gas and oil production properties as described in natural gas and oil properties in this note, the resulting gains or losses are recognized as a component of income. The Company is permitted to capitalize AFUDC on regulated construction projects and to include such amounts in rate base when the related facilities are placed in service. In addition, the Company capitalizes interest, when applicable, on certain construction projects associated with its other operations. The amount of AFUDC and interest capitalized was \$7.1 million, \$5.8 million and \$4.3 million in 2007, 2006 and 2005, respectively. Generally, property, plant and equipment are depreciated on a straight-line basis over the average useful lives of the assets, except for depletable aggregate reserves, which are depleted based on the units-of-production method based on recoverable aggregate reserves, and natural gas and oil production properties, which are amortized on the units-of-production method based on total reserves.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Property, plant and equipment at December 31 was as follows:

	2007	2006	Estimated Depreciable Life in Years
<i>(Dollars in thousands, as applicable)</i>			
Regulated:			
Electric:			
Electric generation, distribution and transmission plant	\$ 784,705	\$ 703,838	4-50
Natural gas distribution:			
Natural gas distribution plant	948,446	289,106	4-45
Pipeline and energy services:			
Natural gas transmission, gathering and storage facilities	403,459	384,354	8-104
Nonregulated:			
Construction services:			
Land	4,513	3,974	-
Buildings and improvements	11,987	11,288	3-40
Machinery, vehicles and equipment	76,937	70,687	2-10
Other	8,498	8,805	3-10
Pipeline and energy services:			
Natural gas gathering and other facilities	197,253	178,242	3-20
Natural gas and oil production:			
Natural gas and oil properties	1,892,757	1,606,508	*
Other	31,142	29,737	3-15
Construction materials and contracting:			
Land	115,935	95,294	-
Buildings and improvements	94,598	96,533	1-40
Machinery, vehicles and equipment	921,199	817,209	1-20
Construction in progress	22,253	23,968	-
Aggregate reserves	384,731	377,653	**
Other:			
Land	3,022	3,079	-
Other	28,811	27,450	3-40
Less accumulated depreciation, depletion and amortization	2,270,691	1,735,302	
<b>Net property, plant and equipment</b>	<b>\$ 3,659,555</b>	<b>\$ 2,992,423</b>	

\* Amortized on the units-of-production method based on total proved reserves at an Mcf equivalent average rate of \$1.59, \$1.38 and \$1.19 for the years ended December 31, 2007, 2006 and 2005, respectively. Includes natural gas and oil production properties accounted for under the full-cost method, of which \$142.5 million and \$164.0 million were excluded from amortization at December 31, 2007 and 2006, respectively.

\*\* Depleted on the units-of-production method based on recoverable aggregate reserves.

#### Impairment of long-lived assets

The Company reviews the carrying values of its long-lived assets, excluding goodwill and natural gas and oil properties, whenever events or changes in circumstances indicate that such carrying values may not be recoverable. The determination of whether an impairment has occurred is based on an estimate of undiscounted future cash flows attributable to the assets, compared to the carrying value of the assets. If impairment has occurred, the

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

amount of the impairment recognized is determined by estimating the fair value of the assets and recording a loss if the carrying value is greater than the fair value. No significant impairment losses were recorded in 2007, 2006 and 2005. Unforeseen events and changes in circumstances could require the recognition of other impairment losses at some future date.

#### Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable net tangible and intangible assets acquired in a business combination. Goodwill is required to be tested for impairment annually, which is completed in the fourth quarter, or more frequently if events or changes in circumstances indicate that goodwill may be impaired. For more information on goodwill impairments and goodwill, see Notes 3 and 5.

#### Natural gas and oil properties

The Company uses the full-cost method of accounting for its natural gas and oil production activities. Under this method, all costs incurred in the acquisition, exploration and development of natural gas and oil properties are capitalized and amortized on the units-of-production method based on total proved reserves. Any conveyances of properties, including gains or losses on abandonments of properties, are treated as adjustments to the cost of the properties with no gain or loss recognized. Capitalized costs are subject to a "ceiling test" that limits such costs to the aggregate of the present value of future net revenues of proved reserves based on single point-in-time spot market prices, as mandated under the rules of the SEC, plus the cost of unproved properties. Future net revenue is estimated based on end-of-quarter spot market prices adjusted for contracted price changes. If capitalized costs exceed the full-cost ceiling at the end of any quarter, a permanent noncash write-down is required to be charged to earnings in that quarter unless subsequent price changes eliminate or reduce an indicated write-down.

At December 31, 2007 and 2006, the Company's full-cost ceiling exceeded the Company's capitalized cost. However, sustained downward movements in natural gas and oil prices subsequent to December 31, 2007, could result in a future write-down of the Company's natural gas and oil properties.

The following table summarizes the Company's natural gas and oil properties not subject to amortization at December 31, 2007, in total and by the year in which such costs were incurred:

	Total	Year Costs Incurred			2004 and prior
		2007	2006	2005	
<i>(In thousands)</i>					
Acquisition	\$ 62,619	\$ 15,632	\$ 19,135	\$ 8,812	\$ 19,040
Development	60,352	33,380	16,853	5,225	4,894
Exploration	15,643	13,771	812	1,060	---
Capitalized interest	3,910	1,771	1,038	426	675
Total costs not subject to amortization	\$ 142,524	\$ 64,554	\$ 37,838	\$ 15,523	\$ 24,609

Costs not subject to amortization as of December 31, 2007, consisted primarily of unevaluated leaseholds, drilling costs, seismic costs and capitalized interest associated primarily with CBNG in the Powder River Basin of Montana and Wyoming; oil and gas development in the Big Horn Basin of Wyoming; an enhanced recovery development project in the Cedar Creek Anticline in southeastern Montana; oil and gas development in the Paradox Basin of Utah; a waterflood facility and injection project in southern Texas; and

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

development of the Bakken play in western North Dakota. The Company expects that the majority of these costs will be evaluated within the next five years and included in the amortization base as the properties are evaluated and/or developed.

#### Revenue recognition

Revenue is recognized when the earnings process is complete, as evidenced by an agreement between the customer and the Company, when delivery has occurred or services have been rendered, when the fee is fixed or determinable and when collection is reasonably assured. The Company recognizes utility revenue each month based on the services provided to all utility customers during the month. Accrued unbilled revenue which is included in receivables, net, represents revenues recognized in excess of amounts billed. Accrued unbilled revenue at Montana-Dakota and Cascade was \$66.6 million at December 31, 2007. Accrued unbilled revenue at Montana-Dakota was \$35.6 million at December 31, 2006. The Company recognizes construction contract revenue at its construction businesses using the percentage-of-completion method as discussed later. The Company recognizes revenue from natural gas and oil production properties only on that portion of production sold and allocable to the Company's ownership interest in the related well. The Company recognizes all other revenues when services are rendered or goods are delivered.

#### Percentage-of-completion method

The Company recognizes construction contract revenue from fixed-price and modified fixed-price construction contracts at its construction businesses using the percentage-of-completion method, measured by the percentage of costs incurred to date to estimated total costs for each contract. If a loss is anticipated on a contract, the loss is immediately recognized. Costs in excess of billings on uncompleted contracts of \$45.2 million and \$41.3 million at December 31, 2007 and 2006, respectively, represent revenues recognized in excess of amounts billed and were included in receivables, net. Billings in excess of costs on uncompleted contracts of \$81.4 million and \$84.2 million at December 31, 2007 and 2006, respectively, represent billings in excess of revenues recognized and were included in accounts payable. Amounts representing balances billed but not paid by customers under retainage provisions in contracts amounted to \$80.3 million and \$81.8 million at December 31, 2007 and 2006, respectively. The amounts expected to be paid within one year or less are included in receivables, net, and amounted to \$68.9 million and \$81.8 million at December 31, 2007 and 2006, respectively. The long-term retainage which was included in deferred charges and other assets - other was \$11.4 million at December 31, 2007.

#### Derivative instruments

The Company's policy allows the use of derivative instruments as part of an overall energy price, foreign currency and interest rate risk management program to efficiently manage and minimize commodity price, foreign currency and interest rate risk. The Company's policy prohibits the use of derivative instruments for speculating to take advantage of market trends and conditions, and the Company has procedures in place to monitor compliance with its policies. The Company is exposed to credit-related losses in relation to derivative instruments in the event of nonperformance by counterparties. The Company's policy generally requires that natural gas and oil price derivative instruments at Fidelity and interest rate derivative instruments not exceed a period of 24 months and foreign currency derivative instruments not exceed a 12-month period. The Company's policy allows Cascade to maintain a portfolio of natural gas derivative instruments not to exceed a period of three years. The Company's policy requires settlement of natural gas and oil price derivative instruments monthly and all interest rate derivative transactions must be settled over a period that will not exceed 90 days, and any foreign currency derivative transaction settlement periods may not exceed a 12-month period. The Company has policies and procedures that management believes minimize credit-risk exposure. Accordingly, the Company does not anticipate any material effect on its financial position or results of operations as a result of nonperformance by counterparties. For more information on derivative instruments, see Note 7.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
	(2) <input type="checkbox"/> A Resubmission	12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

**Asset retirement obligations**

The Company records the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the Company capitalizes a cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the Company either settles the obligation for the recorded amount or incurs a gain or loss at its nonregulated operations or incurs a regulatory asset or liability at its regulated operations. For more information on asset retirement obligations, see Note 11.

**Natural gas costs recoverable or refundable through rate adjustments**

Under the terms of certain orders of the applicable state public service commissions, the Company is deferring natural gas commodity, transportation and storage costs that are greater or less than amounts presently being recovered through its existing rate schedules. Such orders generally provide that these amounts are recoverable or refundable through rate adjustments within a period ranging from 14 to 28 months from the time such costs are paid. Natural gas costs refundable through rate adjustments were \$11.6 million and \$7.5 million at December 31, 2007 and 2006, respectively, which is included in other accrued liabilities. Natural gas costs recoverable through rate adjustments were \$3.9 million at December 31, 2007, which is included in prepayments and other current assets.

**Insurance**

Certain subsidiaries of the Company are insured for workers' compensation losses, subject to deductibles ranging up to \$750,000 per occurrence. Automobile liability and general liability losses are insured, subject to deductibles ranging up to \$500,000 per accident or occurrence. These subsidiaries have excess coverage above the primary automobile and general liability policies on a claims first-made basis beyond the deductible levels. The subsidiaries of the Company are retaining losses up to the deductible amounts accrued on the basis of estimates of liability for claims incurred and for claims incurred but not reported.

**Income taxes**

The Company provides deferred federal and state income taxes on all temporary differences between the book and tax basis of the Company's assets and liabilities. Excess deferred income tax balances associated with the Company's rate-regulated activities resulting from the Company's adoption of SFAS No. 109 have been recorded as a regulatory liability and are included in other liabilities. These regulatory liabilities are expected to be reflected as a reduction in future rates charged to customers in accordance with applicable regulatory procedures.

The Company uses the deferral method of accounting for investment tax credits and amortizes the credits on electric and natural gas distribution plant over various periods that conform to the ratemaking treatment prescribed by the applicable state public service commissions.

**Foreign currency translation adjustment**

The functional currency of the Company's investment in the Brazilian Transmission Lines and its former investment in the Termoceara Generating Facility, as further discussed in Note 4, is the Brazilian Real. Translation from the Brazilian Real to the U.S. dollar for assets and liabilities is performed using the exchange rate in effect at the balance sheet date. Revenues and expenses are translated on a year-to-date basis using weighted average daily exchange rates. Adjustments resulting from such translations are reported as a separate component of other comprehensive income (loss) in common stockholders' equity.

Transaction gains and losses resulting from the effect of exchange rate changes on transactions denominated in a currency other than the functional currency of the reporting entity would be recorded in income.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

**Common stock split**

On May 11, 2006, the Company's Board of Directors approved a three-for-two common stock split. For more information on the common stock split, see Note 13.

**Earnings per common share**

Basic earnings per common share were computed by dividing earnings on common stock by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share were computed by dividing earnings on common stock by the total of the weighted average number of shares of common stock outstanding during the year, plus the effect of outstanding stock options, restricted stock grants and performance share awards. In 2007, 2006 and 2005, there were no shares excluded from the calculation of diluted earnings per share. Common stock outstanding includes issued shares less shares held in treasury.

**Stock-based compensation**

On January 1, 2006, the Company adopted SFAS No. 123 (revised). This accounting standard revises SFAS No. 123 and requires entities to recognize compensation expense in an amount equal to the grant-date fair value of share-based payments granted to employees. SFAS No. 123 (revised) was adopted using the modified prospective method, recognizing compensation expense for all awards granted after the date of adoption of the standard and for the unvested portion of previously granted awards that remain outstanding at the date of adoption. In accordance with the modified prospective method, the Company's consolidated financial statements for prior periods have not been restated to reflect, and do not include, the impact of SFAS No. 123 (revised).

On January 1, 2003, the Company adopted the fair value recognition provisions of SFAS No. 123 and began expensing the fair market value of stock options for all awards granted on or after January 1, 2003. As permitted by SFAS No. 148, the Company accounted for stock options granted prior to January 1, 2003, under APB Opinion No. 25 and no compensation expense was recognized as the options granted had an exercise price equal to the market value of the underlying common stock on the date of the grant.

The following table illustrates the effect on earnings and earnings per common share for the year ended December 31, 2005, as if the Company had applied SFAS No. 123 and recognized compensation expense for all outstanding and unvested stock options based on the fair value at the date of grant:

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

	2005
	<i>(In thousands, except per share amounts)</i>
Earnings on common stock, as reported	\$ 274,398
Stock-based compensation expense included in reported earnings, net of related tax effects of \$1	2
Total stock-based compensation expense determined under fair value method for all awards, net of related tax effects	(471)
<u>Pro forma earnings on common stock</u>	<u>\$ 273,929</u>
<u>Earnings per common share – basic – as reported</u>	<u>\$ 1.54</u>
<u>Earnings per common share – basic – pro forma</u>	<u>\$ 1.54</u>
<u>Earnings per common share – diluted – as reported</u>	<u>\$ 1.53</u>
<u>Earnings per common share – diluted – pro forma</u>	<u>\$ 1.53</u>

For more information on the Company's stock-based compensation, see Note 14.

#### Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Estimates are used for items such as impairment testing of long-lived assets, goodwill and natural gas and oil properties; fair values of acquired assets and liabilities under the purchase method of accounting; natural gas and oil reserves; aggregate reserves; property depreciable lives; tax provisions; uncollectible accounts; environmental and other loss contingencies; accumulated provision for revenues subject to refund; costs on construction contracts; unbilled revenues; actuarially determined benefit costs; asset retirement obligations; the valuation of stock-based compensation; and the fair value of derivative instruments. As additional information becomes available, or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

#### Cash flow information

Cash expenditures for interest and income taxes were as follows:

Years ended December 31,	2007	2006	2005
	<i>(In thousands)</i>		
Interest, net of amount capitalized	\$ 74,404	\$ 65,850	\$ 47,902
Income taxes	\$214,573	\$105,317	\$106,771

Income taxes paid for the year ended December 31, 2007, increased from the amount paid for the years ended December 31, 2006 and 2005, primarily due to higher estimated quarterly tax payments due in large part to the gain on the sale of the domestic independent power production assets as discussed in Note 3.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

#### New accounting standards

**FIN 48** In July 2006, the FASB issued FIN 48. FIN 48 clarifies the application of SFAS No. 109 by defining a criterion that an individual tax position must meet for any part of the benefit of that position to be recognized in an enterprise's financial statements. The criterion allows for recognition in the financial statements of a tax position when it is more likely than not that the position will be sustained upon examination. FIN 48 was effective for the Company on January 1, 2007. The adoption of FIN 48 did not have a material effect on the Company's financial position or results of operations. For more information on the implementation of FIN 48, see Note 15.

**SFAS No. 157** In September 2006, the FASB issued SFAS No. 157. SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The standard applies under other accounting pronouncements that require or permit fair value measurements with certain exceptions. SFAS No. 157 was effective for the Company on January 1, 2008. The adoption of SFAS No. 157 did not have a material effect on the Company's financial position or results of operations.

**SFAS No. 159** In February 2007, the FASB issued SFAS No. 159. SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. The standard also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. SFAS No. 159 was effective for the Company on January 1, 2008, and at adoption, the Company elected to measure its investments in certain fixed-income and equity securities at fair value in accordance with SFAS No. 159. These investments prior to January 1, 2008, were accounted for as available-for-sale investments and recorded at fair value with any unrealized gains or losses, net of income taxes, recorded in accumulated other comprehensive income (loss) on the Consolidated Balance Sheets until realized. Upon the adoption of SFAS No. 159, the unrealized gain on the available-for-sale investments of \$405,000 (after tax) was recorded as an increase to the January 1, 2008, balance of retained earnings. The adoption of SFAS No. 159 did not have a material effect on the Company's financial position or results of operations.

**SFAS No. 141 (revised)** In December 2007, the FASB issued SFAS No. 141 (revised). SFAS No. 141 (revised) requires an acquirer to recognize and measure the assets acquired, liabilities assumed and any noncontrolling interests in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exception. In addition, SFAS No. 141 (revised) requires that acquisition-related costs will be generally expensed as incurred. SFAS No. 141 (revised) also expands the disclosure requirements for business combinations. SFAS No. 141 (revised) will be effective for the Company on January 1, 2009. The Company is evaluating the effects of the adoption of SFAS No. 141 (revised).

**SFAS No. 160** In December 2007, the FASB issued SFAS No. 160. SFAS No. 160 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 will be effective for the Company on January 1, 2009. The Company is evaluating the effects of the adoption of SFAS No. 160.

#### Comprehensive income

Comprehensive income is the sum of net income as reported and other comprehensive income (loss). The Company's other comprehensive income (loss) resulted from gains (losses) on derivative instruments qualifying as hedges, pension liability adjustments, foreign currency translation adjustments and gains on available-for-sale investments. For more information on derivative instruments, see Note 7.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The components of other comprehensive income (loss), and their related tax effects for the years ended December 31, 2007, 2006 and 2005, were as follows:

	2007	2006	2005
<i>(In thousands)</i>			
Other comprehensive income (loss):			
Net unrealized gain (loss) on derivative instruments qualifying as hedges:			
Net unrealized gain (loss) on derivative instruments arising during the period, net of tax of \$3,989, \$12,359 and \$(16,391) in 2007, 2006 and 2005, respectively	<b>\$ 6,508</b>	\$19,743	\$(26,167)
Less: Reclassification adjustment for gain (loss) on derivative instruments included in net income, net of tax of \$12,504, \$(16,194) and \$(2,734) in 2007, 2006 and 2005, respectively	<b>20,013</b>	(25,867)	(4,367)
Net unrealized gain (loss) on derivative instruments qualifying as hedges	<b>(13,505)</b>	45,610	(21,800)
Pension liability adjustment, net of tax of \$1,835, \$1,122 and \$353 in 2007, 2006 and 2005, respectively	<b>3,012</b>	1,761	574
Foreign currency translation adjustment, net of tax of \$3,606 in 2007	<b>7,177</b>	(1,585)	(1,099)
Net unrealized gain on available-for-sale investments, net of tax of \$270 in 2007	<b>405</b>	---	---
<b>Total other comprehensive income (loss)</b>	<b>\$ (2,911)</b>	\$45,786	\$(22,325)

The after-tax components of accumulated other comprehensive loss as of December 31, 2007, 2006 and 2005, were as follows:

	Net Unrealized Gain (Loss) on Derivative Instruments Qualifying as Hedges	Pension Liability Adjustment	Foreign Currency Translation Adjustment	Net Unrealized Gain on Available- for-sale Investment	Total Accumulated Other Comprehensive Loss
--	---	------------------------------------	--	--	--

	<i>(In thousands)</i>				
Balance at December 31, 2005	\$ (26,167)	\$ (7,651)	\$ 2	\$ ---	\$(33,816)
Balance at December 31, 2006	\$ 19,443	\$(24,342)	\$ (1,583)	\$ ---	\$ (6,482)
<b>Balance at December 31, 2007</b>	<b>\$ 5,938</b>	<b>\$(21,330)</b>	<b>\$ 5,594</b>	<b>\$ 405</b>	<b>\$ (9,393)</b>

#### NOTE 2 - ACQUISITIONS

In 2007, the Company acquired construction materials and contracting businesses in North Dakota, Texas and Wyoming, a construction services business in Nevada, and Cascade, a natural gas distribution business, as discussed below. The total purchase consideration for these businesses and properties and purchase price adjustments with respect to certain

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

other acquisitions made prior to 2007, consisting of the Company's common stock and cash and the outstanding indebtedness of Cascade, was \$526.3 million.

On July 2, 2007, the acquisition of Cascade was finalized and Cascade became an indirect wholly owned subsidiary of the Company. The acquisition of Cascade was funded with cash (largely proceeds from the sale of the domestic independent power production assets) and debt. Cascade's natural gas service areas are in Washington and Oregon.

In 2006, the Company acquired a construction services business in Nevada, natural gas and oil production properties in Wyoming, and construction materials and contracting businesses in California and Washington, none of which was material. The total purchase consideration for these businesses and properties and purchase price adjustments with respect to certain other acquisitions made prior to 2006, consisting of the Company's common stock and cash, was \$120.6 million.

In 2005, the Company acquired construction services businesses in Nevada, natural gas and oil production properties in southern Texas and construction materials and contracting businesses in Idaho, Iowa and Oregon, none of which was material. The total purchase consideration for these businesses and properties and purchase price adjustments with respect to certain other acquisitions acquired prior to 2005, consisting of the Company's common stock and cash, was \$245.2 million.

The above acquisitions were accounted for under the purchase method of accounting and, accordingly, the acquired assets and liabilities assumed have been preliminarily recorded at their respective fair values as of the date of acquisition. On certain of the above acquisitions made in 2007, final fair market values are pending the completion of the review of the relevant assets and liabilities as of the acquisition date. The results of operations of the acquired businesses and properties are included in the financial statements since the date of each acquisition. Pro forma financial amounts reflecting the effects of the above acquisitions are not presented, as such acquisitions were not material to the Company's financial position or results of operations.

**NOTE 3 - DISCONTINUED OPERATIONS**

Innovatum, a component of the pipeline and energy services segment, specialized in cable and pipeline magnetization and location. During the third quarter of 2006, the Company initiated a plan to sell Innovatum because the Company determined that Innovatum is a non-strategic asset. During the fourth quarter of 2006, the stock and a portion of the assets of Innovatum were sold and the Company sold the remaining assets of Innovatum on January 23, 2008. The loss on disposal of Innovatum was not material.

During the fourth quarter of 2006, the Company initiated a plan to sell certain of the domestic assets of Centennial Resources. The plan to sell was based on the increased market demand for independent power production assets, combined with the Company's desire to efficiently fund future capital needs. The results of operations of these assets were shown in continuing operations in the Company's financial statements in the Company's 2006 Annual Report on Form 10-K as the Company intended to have significant continuing involvement with these assets in the form of continuing existing operation and maintenance agreements between CEM and these assets after the sale.

The Company subsequently committed to a plan to sell CEM due to strong interest in the operations of CEM during the bidding process for the domestic independent power production assets in the first quarter of 2007. As a result of the Company's commitment to a plan to sell CEM, the Company would no longer have significant continuing involvement in the operations of the other domestic independent power production assets after the sale. Therefore, in accordance with SFAS No. 144, the results of operations of the domestic independent power production assets, including CEM, are presented as discontinued operations.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

On July 10, 2007, Centennial Resources sold its domestic independent power production business consisting of Centennial Power and CEM to Bicent Power LLC (formerly known as Montana Acquisition Company LLC). The transaction was valued at \$636 million, which included the assumption of approximately \$36 million of project-related debt. The gain on the sale of the assets, excluding the gain on the sale of Hartwell as discussed in Note 4, was approximately \$85.4 million (after tax). A portion of the proceeds from the sale was used to pay a dividend to the Company. This dividend was then used to prepay, in part, the outstanding term loan indebtedness that was incurred by the Company to fund the Cascade acquisition. The remaining proceeds of the sale provided additional cash for growth opportunities.

In accordance with SFAS No. 144, the Company's consolidated financial statements and accompanying notes for prior periods have been restated to present the results of operations of Innovatum and the domestic independent power production assets as discontinued operations. In addition, the assets and liabilities of these operations were treated as held for sale, and as a result, no depreciation, depletion and amortization expense was recorded from the time each of the assets was classified as held for sale.

In accordance with SFAS No. 142, at the time the Company committed to the plan to sell each of the assets, the Company was required to test the respective assets for goodwill impairment. The fair value of Innovatum, a reporting unit for goodwill impairment testing, was estimated using the expected proceeds from the sale, which was estimated to be the current book value of the assets of Innovatum other than its goodwill. As a result, a goodwill impairment of \$4.3 million (before tax) was recognized and recorded as part of discontinued operations, net of tax, in the Consolidated Statements of Income in the third quarter of 2006. There were no goodwill impairments associated with the other assets held for sale.

Operating results related to Innovatum for the years ended December 31, 2007, 2006 and 2005, were as follows:

	2007	2006	2005
		<i>(In thousands)</i>	
Operating revenues	<b>\$1,748</b>	\$ 1,827	\$ 2,983
Loss from discontinued operations before			
income tax benefit	<b>(210)</b>	(5,994)	(1,506)
Income tax benefit	<b>(316)</b>	(3,834)	(731)
Income (loss) from discontinued operations,			
net of tax	<b>\$ 106</b>	\$(2,160)	\$ (775)

The income tax benefit for the year ended December 31, 2006, is larger than the customary relationship between the income tax benefit and the loss before tax due to a capital loss tax benefit (which reflects the effect of the \$4.3 million and \$4.0 million goodwill impairments in 2006 and 2004, respectively) resulting from the sale of the Innovatum stock.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Operating results related to the domestic independent power production assets for the years ended December 31, 2007, 2006 and 2005, were as follows:

	2007	2006	2005
		<i>(In thousands)</i>	
Operating revenues	<b>\$125,867</b>	\$ 66,145	\$ 48,508
Income from discontinued operations (including gain on disposal in 2007 of \$142.4 million) before income tax expense (benefit)	<b>177,666</b>	9,276	10,828
Income tax expense (benefit)	<b>68,438</b>	(863)	261
Income from discontinued operations, net of tax	<b>\$109,228</b>	\$ 10,139	\$ 10,567

The income tax benefit for the year ended December 31, 2006, and the lower income tax expense for the year ended December 31, 2005, reflect a renewable electricity production tax credit of \$4.4 million and \$4.1 million, respectively.

Revenues at the former independent power production operations were recognized based on electricity delivered and capacity provided, pursuant to contractual commitments and, where applicable, revenues were recognized under EITF No. 91-6 ratably over the terms of the related contract. Arrangements with multiple revenue-generating activities were recognized under EITF No. 00-21 with the multiple deliverables divided into separate units of accounting based on specific criteria and revenues of the arrangements allocated to the separate units based on their relative fair values.

The carrying amounts of the major assets and liabilities related to the domestic independent power production assets held for sale, as well as the major assets and liabilities related to Innovatum, at December 31, 2007 and 2006, were as follows:

	2007	2006
		<i>(In thousands)</i>
Cash and cash equivalents	\$ ---	\$ 1,878
Receivables, net	---	8,307
Inventories	<b>179</b>	490
Prepayments and other current assets	---	1,981
Total current assets held for sale	<b>\$179</b>	\$ 12,656
Net property, plant and equipment	\$ ---	\$390,679
Goodwill	---	11,167
Other intangible assets, net	---	7,162
Other	---	2,257
Total noncurrent assets held for sale	\$ ---	\$411,265
Accounts payable	\$ ---	\$ 11,557
Other accrued liabilities	---	3,343
Total current liabilities held for sale	\$ ---	\$ 14,900
Deferred income taxes	\$ ---	\$ 27,956
Other liabilities	---	2,577
Total noncurrent liabilities held for sale	\$ ---	\$ 30,533

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

**NOTE 4 - EQUITY METHOD INVESTMENTS**

Investments in companies in which the Company has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method. The Company's equity method investments at December 31, 2007, include the Brazilian Transmission Lines.

In August 2006, MDU Brasil acquired ownership interests in companies owning three electric transmission lines. The interests involve the ENTE (13.3-percent ownership interest), ERTE (13.3-percent ownership interest) and ECTE (25-percent ownership interest) electric transmission lines, which are primarily in northeastern and southern Brazil. The contracts provide for revenues denominated in the Brazilian Real, annual inflation adjustments and change in tax law adjustments and have between 23 and 25 years remaining under the contracts. Alusa, Brascan and CEMIG hold the remaining ownership interests, with CELESC also having an ownership interest in ECTE. The functional currency for the Brazilian Transmission Lines is the Brazilian Real.

In February 2004, Centennial International acquired 49.99 percent of Carib Power. Carib Power, through a wholly owned subsidiary, owns a 225-MW natural gas-fired electric generating facility in Trinidad and Tobago. On February 26, 2007, the Company sold its interest in Carib Power. The sale did not have a significant effect on the Company's results of operations.

In September 2004, Centennial Resources, through indirect wholly owned subsidiaries, acquired a 50-percent ownership interest in Hartwell, which owns a 310-MW natural gas-fired electric generating facility near Hartwell, Georgia. On July 10, 2007, the Company sold its ownership interest in Hartwell, and realized a gain of \$10.1 million (\$6.1 million after tax) from the sale which is recorded in earnings from equity method investments on the Consolidated Statements of Income.

In June 2005, the Company completed the sale of its 49 percent interest in MPX to Petrobras, the Brazilian state-controlled energy company. The Company realized a gain of \$15.6 million from the sale in 2005.

At December 31, 2007 and 2006, the Company's equity method investments had total assets of \$398.4 million and \$583.6 million, respectively, and long-term debt of \$211.2 million and \$321.5 million, respectively. The Company's investment in its equity method investments was approximately \$59.0 million and \$102.0 million, including undistributed earnings of \$6.9 million and \$8.5 million, at December 31, 2007 and 2006, respectively.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

**NOTE 5 - GOODWILL AND OTHER INTANGIBLE ASSETS**

The changes in the carrying amount of goodwill for the year ended December 31, 2007, were as follows:

	Balance as of January 1, 2007	Goodwill Acquired During the Year*	Balance as of December 31, 2007
<i>(In thousands)</i>			
Electric	\$ ---	\$ ---	\$ ---
Natural gas distribution	---	171,129	171,129
Construction services	86,942	4,443	91,385
Pipeline and energy services	1,159	---	1,159
Natural gas and oil production	---	---	---
Construction materials and contracting	136,197	25,828	162,025
Other	---	---	---
<b>Total</b>	<b>\$224,298</b>	<b>\$201,400</b>	<b>\$425,698</b>

\* Includes purchase price adjustments that were not material related to acquisitions in a prior period.

The changes in the carrying amount of goodwill for the year ended December 31, 2006, were as follows:

	Balance as of January 1, 2006	Goodwill Acquired During the Year*	Balance as of December 31, 2006
<i>(In thousands)</i>			
Electric	\$ ---	\$ ---	\$ ---
Natural gas distribution	---	---	---
Construction services	80,970	5,972	86,942
Pipeline and energy services	1,159	---	1,159
Natural gas and oil production	---	---	---
Construction materials and contracting	133,264	2,933	136,197
Other	---	---	---
<b>Total</b>	<b>\$ 215,393</b>	<b>\$ 8,905</b>	<b>\$224,298</b>

\* Includes purchase price adjustments that were not material related to acquisitions in a prior period.

For more information on the goodwill impairment related to the discontinued operations at Innovatum in 2006, see Note 3.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Other amortizable intangible assets at December 31, 2007 and 2006, were as follows:

	2007	2006
	<i>(In thousands)</i>	
Customer relationships	\$ 21,834	\$13,030
Accumulated amortization	(4,444)	(1,890)
	<b>17,390</b>	11,140
Noncompete agreements	10,655	12,886
Accumulated amortization	(3,654)	(8,540)
	<b>7,001</b>	4,346
Acquired contracts	2,539	8,307
Accumulated amortization	(1,615)	(4,646)
	<b>924</b>	3,661
Other	3,404	5,062
Accumulated amortization	(927)	(1,407)
	<b>2,477</b>	3,655
<b>Total</b>	<b>\$27,792</b>	<b>\$22,802</b>

Amortization expense for intangible assets for the years ended December 31, 2007, 2006 and 2005, was \$4.4 million, \$4.3 million and \$3.5 million, respectively. Estimated amortization expense for intangible assets is \$5.7 million in 2008, \$4.4 million in 2009, \$3.4 million in 2010, \$2.9 million in 2011, \$2.7 million in 2012 and \$8.7 million thereafter.

**NOTE 6 - REGULATORY ASSETS AND LIABILITIES**

The following table summarizes the individual components of unamortized regulatory assets and liabilities as of December 31:

	2007	2006
	<i>(In thousands)</i>	
Regulatory assets:		
Deferred income taxes	\$ 43,866	\$ 35,978
Pension and postretirement benefits	21,613	19,075
Natural gas supply derivatives	16,324	---
Long-term debt refinancing costs	10,605	11,232
Plant costs	4,930	13,254
Other	15,812	7,230
<b>Total regulatory assets</b>	<b>113,150</b>	<b>86,769</b>
Regulatory liabilities:		
Plant removal and decommissioning costs	89,991	85,087
Taxes refundable to customers	22,580	14,229
Deferred income taxes	17,630	18,019
Natural gas costs refundable through rate adjustments	11,568	7,516
Natural gas supply derivatives	5,631	---
Other	8,250	4,179
<b>Total regulatory liabilities</b>	<b>155,650</b>	<b>129,030</b>
<b>Net regulatory position</b>	<b>\$ (42,500)</b>	<b>\$ (42,261)</b>

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

difference between the fixed strike price and the monthly index price applicable to each contract.

Fidelity and Cascade non-core

At December 31, 2007, Fidelity held natural gas and oil swap and collar derivative instruments designated as cash flow hedging instruments. Cascade held natural gas swap derivative instruments designated as cash flow hedging instruments.

Fidelity utilizes natural gas and oil price swap and collar agreements to manage a portion of the market risk associated with fluctuations in the price of natural gas and oil on its forecasted sales of natural gas and oil production. Cascade utilizes natural gas swap agreements to manage a portion of the market risk associated with fluctuations in the price of natural gas on its forecasted purchases of natural gas for non-core customers. Cascade's non-core customers, who are not covered by the purchased gas cost adjustment mechanism, are generally large industrial, electric generation and institutional customers. Each of the price swap and collar agreements was designated as a cash flow hedge of the forecasted sale of the related production or as a cash flow hedge of the forecasted purchase of the related commodity.

The fair value of the hedging instruments must be estimated as of the end of each reporting period and is recorded on the Consolidated Balance Sheets as an asset or a liability. Changes in the fair value attributable to the effective portion of hedging instruments, net of tax, are recorded in stockholders' equity as a component of accumulated other comprehensive income (loss). At the date the natural gas or oil quantities are settled, the amounts accumulated in other comprehensive income (loss) are reported in the Consolidated Statements of Income. To the extent that the hedges are not effective, the ineffective portion of the changes in fair market value is recorded directly in earnings. The proceeds received for natural gas and oil production and the amount paid for natural gas purchases are also generally based on market prices.

For the years ended December 31, 2007 and 2005, the amount of hedge ineffectiveness was immaterial. In the second quarter of 2006, Fidelity's oil collar agreements became ineffective and no longer qualified for hedge accounting. The oil hedges became ineffective as the physical price received no longer correlated to the hedge price due to the widening of regional basis differentials on the price of the physical production received. The ineffectiveness related to these collar agreements resulted in a loss of approximately \$138,000 (before tax) for the year ended December 31, 2006, that was recorded in operation and maintenance expense. The ineffective collar agreements expired by December 31, 2006. The amount of hedge ineffectiveness on Fidelity's remaining hedges was immaterial for the year ended December 31, 2006.

For the years ended December 31, 2007, 2006 and 2005, there were no components of the derivative instruments' gain or loss excluded from the assessment of hedge effectiveness. Gains and losses must be reclassified into earnings as a result of the discontinuance of cash flow hedges if it is probable that the original forecasted transactions will not occur. There were no such reclassifications into earnings as a result of the discontinuance of hedges.

Gains and losses on derivative instruments that are reclassified from accumulated other comprehensive income (loss) to current-period earnings are included in the line item in which the hedged item is recorded. As of December 31, 2007, the maximum term of the swap and collar agreements, in which the exposure to the variability in future cash flows for forecasted transactions is being hedged, is 12 months. The Company estimates that over the next 12 months, net gains of approximately \$6.2 million (after tax) will be reclassified from accumulated other comprehensive loss into earnings, subject to changes in natural gas and oil market prices, as the hedged transactions affect earnings.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

As of December 31, 2007, a large portion of the Company's regulatory assets, other than certain deferred income taxes, was being reflected in rates charged to customers and is being recovered over the next 1 to 15 years. A portion of the Company's regulatory assets are not earning a return; however, these regulatory assets are expected to be recovered from customers in future rates.

If, for any reason, the Company's regulated businesses cease to meet the criteria for application of SFAS No. 71 for all or part of their operations, the regulatory assets and liabilities relating to those portions ceasing to meet such criteria would be removed from the balance sheet and included in the statement of income as an extraordinary item in the period in which the discontinuance of SFAS No. 71 occurs.

**NOTE 7 - DERIVATIVE INSTRUMENTS**

Derivative instruments, including certain derivative instruments embedded in other contracts, are required to be recorded on the balance sheet as either an asset or liability measured at fair value. Changes in the derivative instrument's fair value are recognized currently in earnings unless specific hedge accounting criteria are met. Accounting for qualifying hedges allows derivative gains and losses to offset the related results on the hedged item in the income statement and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting treatment.

In the event a derivative instrument being accounted for as a cash flow hedge does not qualify for hedge accounting because it is no longer highly effective in offsetting changes in cash flows of a hedged item; if the derivative instrument expires or is sold, terminated or exercised; or if management determines that designation of the derivative instrument as a hedge instrument is no longer appropriate, hedge accounting would be discontinued and the derivative instrument would continue to be carried at fair value with changes in its fair value recognized in earnings. In these circumstances, the net gain or loss at the time of discontinuance of hedge accounting would remain in accumulated other comprehensive income (loss) until the period or periods during which the hedged forecasted transaction affects earnings, at which time the net gain or loss would be reclassified into earnings. In the event a cash flow hedge is discontinued because it is unlikely that a forecasted transaction will occur, the derivative instrument would continue to be carried on the balance sheet at its fair value, and gains and losses that had accumulated in other comprehensive income (loss) would be recognized immediately in earnings. In the event of a sale, termination or extinguishment of a foreign currency derivative, the resulting gain or loss would be recognized immediately in earnings. The Company's policy requires approval to terminate a derivative instrument prior to its original maturity. As of December 31, 2007, the Company had no outstanding foreign currency or interest rate hedges.

Cascade core

At December 31, 2007, Cascade held natural gas swap agreements which were not designated as hedges.

Cascade utilizes natural gas swap agreements to manage a portion of the market risk associated with fluctuations in the price of natural gas on its forecasted purchases of natural gas for core customers in accordance with authority granted by the WUTC and OPUC. Core customers consist of residential, commercial and smaller industrial customers. The fair value of the derivative instrument must be estimated as of the end of each reporting period and is recorded on the Consolidated Balance Sheets as an asset or a liability. Cascade applies SFAS No. 71 and records periodic changes in the fair market value of the derivative instruments on the Consolidated Balance Sheets as a regulatory asset or a regulatory liability, and settlements of these arrangements are expected to be recovered through the purchased gas cost adjustment mechanism. Under the terms of these arrangements, Cascade will either pay or receive settlement payments based on the

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

**NOTE 8 - FAIR VALUE OF OTHER FINANCIAL INSTRUMENTS**

The estimated fair value of the Company's long-term debt is based on quoted market prices of the same or similar issues. The estimated fair values of the Company's natural gas and oil price swap and collar agreements reflect the estimated amounts the Company would receive or pay to terminate the contracts at the reporting date based upon quoted market prices of comparable contracts.

The estimated fair value of the Company's long-term debt at December 31 was as follows:

	2007		2006	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<i>(In thousands)</i>				
Long-term debt	\$1,308,463	\$1,293,863	\$1,254,582	\$1,247,439
Commodity derivative agreements				
– current asset	\$ 12,740	\$ 12,740	\$ 32,101	\$ 32,101
Commodity derivative agreements				
– current liability	\$ (14,799)	\$ (14,799)	\$ ---	\$ ---
Commodity derivative agreements				
– noncurrent asset	\$ 3,419	\$ 3,419	\$ ---	\$ ---
Commodity derivative agreements				
– noncurrent liability	\$ (2,570)	\$ (2,570)	\$ ---	\$ ---

The carrying amounts of the Company's remaining financial instruments included in current assets and current liabilities approximate their fair values.

**NOTE 9 - SHORT-TERM BORROWINGS**

Cascade has a revolving credit agreement with various banks totaling \$50 million with certain provisions allowing for increased borrowings, up to a maximum of \$75 million. The \$50 million credit agreement expires on December 28, 2012, with provisions allowing for an extension of up to two years upon consent of the banks. Cascade also has a \$20 million uncommitted line of credit which may be terminated by the bank or Cascade at any time. There was \$1.7 million outstanding under the Cascade credit agreements at December 31, 2007. The borrowings are classified as short-term borrowings as Cascade intends to repay the borrowings within one year. The weighted average interest rate for borrowings outstanding at December 31, 2007, was 4.75 percent. As of December 31, 2007, there were outstanding letters of credit, as discussed in Note 20, of which \$1.9 million reduced amounts available under the \$50 million credit agreement.

In order to borrow under Cascade's \$50 million credit agreement, Cascade must be in compliance with the applicable covenants and certain other conditions. This includes a covenant not to permit, at any time, the ratio of total debt to total capitalization to be greater than 65 percent. Cascade was in compliance with these covenants and met the required conditions at December 31, 2007.

Cascade's \$50 million credit agreement contains cross-default provisions. These provisions state that if Cascade fails to make any payment with respect to any indebtedness or contingent obligation, in excess of a specified amount, under any agreement that causes such indebtedness to be due prior to its stated maturity or the contingent obligation to become payable, the agreement will be in default. Certain of Cascade's financing agreements and Cascade's practices limit the amount of subsidiary indebtedness.

**NOTE 10 - LONG-TERM DEBT AND INDENTURE PROVISIONS**

Long-term debt outstanding at December 31 was as follows:

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

	2007	2006
	<i>(In thousands)</i>	
First mortgage bonds and notes:		
Secured Medium-Term Notes, Series A, at a weighted average rate of 6.48%, due on dates ranging from October 1, 2008 to April 1, 2012	\$ 20,500	\$ 27,000
Senior Notes, 5.98%, due December 15, 2033	30,000	30,000
<b>Total first mortgage bonds and notes</b>	<b>50,500</b>	57,000
Senior Notes at a weighted average rate of 5.64%, due on dates ranging from June 27, 2008 to March 8, 2037	1,064,000	1,064,500
Medium-Term Notes, at a weighted average rate of 7.72% due on dates ranging from September 4, 2012 to March 16, 2029	81,000	---
Commercial paper at a weighted average rate of 4.95%, supported by revolving credit agreements	61,000	122,850
Other notes, at a weighted average rate of 5.24% due on dates ranging from September 1, 2020 to February 1, 2035	43,679	---
Term credit agreements at a weighted average rate of 5.88%, due on dates ranging from July 1, 2008 to August 31, 2015	8,286	10,290
Discount	(2)	(58)
<b>Total long-term debt</b>	<b>1,308,463</b>	1,254,582
<b>Less current maturities</b>	<b>161,682</b>	84,034
<b>Net long-term debt</b>	<b>\$ 1,146,781</b>	<b>\$ 1,170,548</b>

The amounts of scheduled long-term debt maturities for the five years and thereafter following December 31, 2007, aggregate \$161.7 million in 2008; \$73.4 million in 2009; \$7.3 million in 2010; \$128.0 million in 2011; \$135.5 million in 2012 and \$802.6 million thereafter.

Certain debt instruments of the Company and its subsidiaries, including those discussed below, contain restrictive covenants, all of which the Company and its subsidiaries were in compliance with at December 31, 2007.

**MDU Resources Group, Inc.** The Company has a revolving credit agreement with various banks totaling \$125 million (with provision for an increase, at the option of the Company on stated conditions, up to a maximum of \$150 million). There were no amounts outstanding under the credit agreement at December 31, 2007 and 2006. The credit agreement supports the Company's \$100 million commercial paper program. Under the Company's commercial paper program, \$61.0 million and \$25.8 million were outstanding at December 31, 2007 and 2006, respectively. The commercial paper borrowings are classified as long-term debt as they are intended to be refinanced on a long-term basis through continued commercial paper borrowings (supported by the credit agreement, which expires in June 2011).

In order to borrow under the Company's credit agreement, the Company must be in compliance with the applicable covenants and certain other conditions, including covenants not to

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.		12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

permit, as of the end of any fiscal quarter, (A) the ratio of funded debt to total capitalization (determined on a consolidated basis) to be greater than 65 percent or (B) the ratio of funded debt to capitalization (determined with respect to the Company alone, excluding its subsidiaries) to be greater than 65 percent. Also included is a covenant that does not permit the ratio of the Company's earnings before interest, taxes, depreciation and amortization to interest expense (determined with respect to the Company alone, excluding its subsidiaries), for the 12-month period ended each fiscal quarter, to be less than 2.5 to 1. Other covenants include restrictions on the sale of certain assets and on the making of certain investments. The Company was in compliance with these covenants and met the required conditions at December 31, 2007. In the event the Company does not comply with the applicable covenants and other conditions, alternative sources of funding may need to be pursued.

There are no credit facilities that contain cross-default provisions between the Company and any of its subsidiaries.

The Company's issuance of first mortgage debt is subject to certain restrictions imposed under the terms and conditions of its Mortgage. Generally, those restrictions require the Company to fund \$1.43 of unfunded property or use \$1.00 of refunded bonds for each dollar of indebtedness incurred under the Mortgage and, in some cases, to certify to the trustee that annual earnings (pretax and before interest charges), as defined in the Mortgage, equal at least two times its annualized first mortgage bond interest costs. Under the more restrictive of the tests, as of December 31, 2007, the Company could have issued approximately \$544 million of additional first mortgage bonds.

Approximately \$549.8 million in net book value of the Company's electric and natural gas distribution properties at December 31, 2007, with certain exceptions, are subject to the lien of the Mortgage and to the junior lien of the Indenture.

**MDU Energy Capital, LLC** On August 14, 2007, MDU Energy Capital entered into a \$125 million master shelf agreement (dated as of August 9, 2007). Under the terms of the master shelf agreement, \$85.0 million was outstanding at December 31, 2007.

The master shelf agreement contains customary covenants and provisions, including covenants of MDU Energy Capital not to permit (i) the ratio of its total debt (on a consolidated basis) to adjusted total capitalization to be greater than 70 percent, or (ii) the ratio of subsidiary debt to subsidiary capitalization to be greater than 65 percent. The agreement also includes a covenant requiring the ratio of MDU Energy Capital earnings before interest and taxes to interest expense (on a consolidated basis), for the 12-month period ended each fiscal quarter (commencing with the fiscal quarter ended September 30, 2007), to be greater than 1.5 to 1. MDU Energy Capital was in compliance with these covenants and met the required conditions at December 31, 2007. In addition, payment obligations under the master shelf agreement may be accelerated upon the occurrence of an event of default (as described in the agreement). MDU Energy Capital may incur additional indebtedness under the master shelf agreement, up to a total of \$125 million, until the earlier of August 14, 2010, or such time as the agreement is terminated by either of the parties thereto.

**Centennial Energy Holdings, Inc.** Centennial has a revolving credit agreement and an uncommitted line of credit with various banks and institutions totaling \$425 million with certain provisions allowing for increased borrowings. These credit agreements support Centennial's \$400 million commercial paper program. There were no outstanding borrowings under the Centennial credit agreements at December 31, 2007 and 2006. Under the Centennial commercial paper program, there was no amount outstanding at December 31, 2007, and \$97.1 million outstanding at December 31, 2006. Centennial commercial paper borrowings are classified as long-term debt as they are intended to be refinanced on a long-term basis through continued Centennial commercial paper borrowings (supported by Centennial credit agreements). The revolving credit agreement is for \$400 million, which includes a provision for an increase, at the option of Centennial on stated conditions, up to a maximum of \$450 million and expires on December 13, 2012. The uncommitted line of credit

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

for \$25 million may be terminated by the bank at any time. As of December 31, 2007, \$56.6 million of letters of credit were outstanding, as discussed in Note 20, of which \$44.0 million reduced amounts available under these agreements.

Centennial has an uncommitted long-term master shelf agreement that allows for borrowings of up to \$550 million. Under the terms of the master shelf agreement, \$418.5 million and \$539.5 million were outstanding at December 31, 2007 and 2006, respectively. The ability to request additional borrowings under this master shelf agreement expires on May 8, 2009.

In order to borrow under Centennial's credit agreements and the Centennial uncommitted long-term master shelf agreement, Centennial and certain of its subsidiaries must be in compliance with the applicable covenants and certain other conditions, including covenants not to permit, as of the end of any fiscal quarter, the ratio of total debt to total capitalization to be greater than 65 percent (for the \$400 million credit agreement) and 60 percent (for the master shelf agreement). The master shelf agreement also includes a covenant that does not permit the ratio of Centennial's earnings before interest, taxes, depreciation and amortization to interest expense, for the 12-month period ended each fiscal quarter, to be less than 1.75 to 1. Other covenants include minimum consolidated net worth, limitation on priority debt and restrictions on the sale of certain assets and on the making of certain loans and investments. Centennial and such subsidiaries were in compliance with these covenants and met the required conditions at December 31, 2007. In the event Centennial or such subsidiaries do not comply with the applicable covenants and other conditions, alternative sources of funding may need to be pursued.

Certain of Centennial's financing agreements contain cross-default provisions. These provisions state that if Centennial or any subsidiary of Centennial fails to make any payment with respect to any indebtedness or contingent obligation, in excess of a specified amount, under any agreement that causes such indebtedness to be due prior to its stated maturity or the contingent obligation to become payable, the applicable agreements will be in default. Certain of Centennial's financing agreements and Centennial's practices limit the amount of subsidiary indebtedness.

**Williston Basin Interstate Pipeline Company** Williston Basin has an uncommitted long-term master shelf agreement that allows for borrowings up to \$100 million. Under the terms of the master shelf agreement, \$80.0 million was outstanding at December 31, 2007 and 2006. The ability to request additional borrowings under this master shelf agreement expires on December 20, 2008.

In order to borrow under its uncommitted long-term master shelf agreement, Williston Basin must be in compliance with the applicable covenants and certain other conditions, including covenants not to permit, as of the end of any fiscal quarter, the ratio of total debt to total capitalization to be greater than 55 percent. Other covenants include limitation on priority debt and some restrictions on the sale of certain assets and the making of certain investments. Williston Basin was in compliance with these covenants and met the required conditions at December 31, 2007. In the event Williston Basin does not comply with the applicable covenants and other conditions, alternative sources of funding may need to be pursued.

**NOTE 11 - ASSET RETIREMENT OBLIGATIONS**

The Company records obligations related to the plugging and abandonment of natural gas and oil wells, decommissioning of certain electric generating facilities, reclamation of certain aggregate properties and certain other obligations associated with leased properties.

A reconciliation of the Company's liability, which is included in other liabilities, for the years ended December 31 was as follows:

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

	2007	2006
	<i>(In thousands)</i>	
Balance at beginning of year	\$56,179	\$ 42,857
Liabilities incurred	4,149	4,878
Liabilities acquired	652	1,118
Liabilities settled	(5,896)	(2,963)
Accretion expense	3,081	3,093
Revisions in estimates	6,100	6,321
Other	188	875
Balance at end of year	\$64,453	\$ 56,179

The Company believes that any expenses under SFAS No. 143 and FIN 47 as they relate to regulated operations will be recovered in rates over time and, accordingly, defers such expenses as regulatory assets.

The fair value of assets that are legally restricted for purposes of settling asset retirement obligations at December 31, 2007 and 2006, was \$5.8 million and \$5.5 million, respectively.

**NOTE 12 - PREFERRED STOCKS**

Preferred stocks at December 31 were as follows:

	2007	2006
	<i>(Dollars in thousands)</i>	
Authorized:		
Preferred –		
500,000 shares, cumulative, par value \$100, issuable in series		
Preferred stock A –		
1,000,000 shares, cumulative, without par value, issuable in series		
(none outstanding)		
Preference –		
500,000 shares, cumulative, without par value, issuable in series		
(none outstanding)		
Outstanding:		
4.50% Series – 100,000 shares	\$10,000	\$10,000
4.70% Series – 50,000 shares	5,000	5,000
Total preferred stocks	\$15,000	\$15,000

The 4.50% Series and 4.70% Series preferred stocks outstanding are subject to redemption, in whole or in part, at the option of the Company with certain limitations on 30 days notice on any quarterly dividend date at a redemption price, plus accrued dividends, of \$105 per share and \$102 per share, respectively.

In the event of a voluntary or involuntary liquidation, all preferred stock series holders are entitled to \$100 per share, plus accrued dividends.

The affirmative vote of two-thirds of a series of the Company's outstanding preferred

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

stock is necessary for amendments to the Company's charter or bylaws that adversely affect that series; creation of or increase in the amount of authorized stock ranking senior to that series (or an affirmative majority vote where the authorization relates to a new class of stock that ranks on parity with such series); a voluntary liquidation or sale of substantially all of the Company's assets; a merger or consolidation, with certain exceptions; or the partial retirement of that series of preferred stock when all dividends on that series of preferred stock have not been paid. The consent of the holders of a particular series is not required for such corporate actions if the equivalent vote of all outstanding series of preferred stock voting together has consented to the given action and no particular series is affected differently than any other series.

Subject to the foregoing, the holders of common stock exclusively possess all voting power. However, if cumulative dividends on preferred stock are in arrears, in whole or in part, for one year, the holders of preferred stock would obtain the right to one vote per share until all dividends in arrears have been paid and current dividends have been declared and set aside.

**NOTE 13 - COMMON STOCK**

On May 11, 2006, the Company's Board of Directors approved a three-for-two common stock split to be effected in the form of a 50 percent common stock dividend. The additional shares of common stock were distributed on July 26, 2006, to common stockholders of record on July 12, 2006. Certain common stock information appearing in the accompanying consolidated financial statements has been restated in accordance with accounting principles generally accepted in the United States of America to give retroactive effect to the stock split. Additionally, preference share purchase rights have been appropriately adjusted to reflect the effects of the split.

In 1998, the Company's Board of Directors declared, pursuant to a stockholders' rights plan, a dividend of one preference share purchase right (right) for each outstanding share of the Company's common stock. Each right becomes exercisable, upon the occurrence of certain events, for four-ninths of one one-thousandth of a share of Series B Preference Stock of the Company, without par value, at an exercise price of \$125, subject to certain adjustments. The rights are currently not exercisable and will be exercisable only if a person or group (acquiring person) either acquires ownership of 15 percent or more of the Company's common stock or commences a tender or exchange offer that would result in ownership of 15 percent or more. In the event the Company is acquired in a merger or other business combination transaction or 50 percent or more of its consolidated assets or earnings power are sold, each right entitles the holder to receive, upon the exercise thereof at the then current exercise price of the right multiplied by the number of four-ninths of one one-thousandth of a share of Series B Preference Stock for which a right is then exercisable, in accordance with the terms of the rights agreement, such number of shares of common stock of the acquiring person having a market value of twice the then current exercise price of the right. The rights, which expire on December 31, 2008, are redeemable in whole, but not in part, for a price of \$.00444 per right, at the Company's option at any time until any acquiring person has acquired 15 percent or more of the Company's common stock.

The Stock Purchase Plan provides interested investors the opportunity to make optional cash investments and to reinvest all or a percentage of their cash dividends in shares of the Company's common stock. The K-Plan is partially funded with the Company's common stock. From July 2006 through March 2007, the Stock Purchase Plan and K-Plan, with respect to Company stock, were funded with shares of authorized but unissued common stock. From January 2005 through June 2006, and April 2007 through December 2007, purchases of shares of common stock on the open market were used to fund the Stock Purchase Plan and K-Plan. At December 31, 2007, there were 20.6 million shares of common stock reserved for original issuance under the Stock Purchase Plan and K-Plan.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

**NOTE 14 - STOCK-BASED COMPENSATION**

On January 1, 2006, the Company adopted SFAS No. 123 (revised) and on January 1, 2003, adopted SFAS No. 123. For a discussion of the adoption of SFAS No. 123 (revised) and SFAS No. 123, see Note 1.

The Company has several stock-based compensation plans and is authorized to grant options, restricted stock and stock for up to 17.1 million shares of common stock and has granted options, restricted stock and stock of 6.9 million shares through December 31, 2007. The Company generally issues new shares of common stock to satisfy stock option exercises, restricted stock, stock and performance share awards.

Total stock-based compensation expense for the year ended December 31, 2007, was \$4.7 million, net of income taxes of \$3.1 million. Total stock-based compensation for the year ended December 31, 2006, was \$3.5 million, net of income taxes of \$2.2 million.

As of December 31, 2007, total remaining unrecognized compensation expense related to stock-based compensation was approximately \$4.7 million (before income taxes) which will be amortized over a weighted average period of 1.5 years.

**Stock options**

The Company has stock option plans for directors, key employees and employees. The Company has not granted stock options since 2003. Options granted to key employees automatically vest after nine years, but the plan provides for accelerated vesting based on the attainment of certain performance goals or upon a change in control of the Company, and expire 10 years after the date of grant. Options granted to directors and employees vest at the date of grant and three years after the date of grant, respectively, and expire 10 years after the date of grant.

The fair value of each option outstanding was estimated on the date of grant using the Black-Scholes option-pricing model.

A summary of the status of the stock option plans at December 31, 2007, and changes during the year then ended was as follows:

	Number of Shares	Weighted Average Exercise Price
Balance at beginning of year	2,311,546	\$13.11
Forfeited	(39,352)	12.97
Exercised	(776,286)	13.15
Balance at end of year	1,495,908	13.09
Exercisable at end of year	1,468,940	\$13.08

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Summarized information about stock options outstanding and exercisable as of December 31, 2007, was as follows:

Range of Exercisable Prices	Number Outstanding	Options Outstanding			Options Exercisable		
		Remaining Contractual Life in Years	Weighted Average Exercise Price	Aggregate Intrinsic Value (000's)	Number Exercisable	Weighted Average Exercise Price	Aggregate Intrinsic Value (000's)
\$ 8.88 – 11.00	135,776	.5	\$ 9.71	\$ 2,431	135,776	\$ 9.71	\$ 2,431
11.01 – 14.00	1,262,944	3.2	13.20	18,199	1,241,409	13.20	17,891
14.01 – 17.13	<u>97,188</u>	3.2	16.39	<u>1,090</u>	<u>91,755</u>	16.40	<u>1,028</u>
Balance at end of year	1,495,908	2.9	\$ 13.09	\$21,720	1,468,940	\$ 13.08	\$21,350

The aggregate intrinsic value in the preceding table represents the total intrinsic value (before income taxes), based on the Company's stock price on December 31, 2007, which would have been received by the option holders had all option holders exercised their options as of that date.

The weighted average remaining contractual life of options exercisable was 2.9 years at December 31, 2007.

The Company received cash of \$10.2 million and \$4.5 million from the exercise of stock options for the years ended December 31, 2007 and 2006, respectively. The aggregate intrinsic value of options exercised during the years ended December 31, 2007 and 2006, was \$11.2 million and \$4.4 million, respectively.

#### Restricted stock awards

Prior to 2002, the Company granted restricted stock awards under a long-term incentive plan. The restricted stock awards granted vest at various times ranging from one year to nine years from the date of issuance, but certain grants may vest early based upon the attainment of certain performance goals or upon a change in control of the Company. The grant-date fair value is the market price of the Company's stock on the grant date.

A summary of the status of the restricted stock awards for the year ended December 31, 2007, was as follows:

	Number of Shares	Weighted Average Grant-Date Fair Value
Nonvested at beginning of period	32,117	\$ 13.22
Vested	---	---
Forfeited	<u>(5,384)</u>	13.22
Nonvested at end of period	26,733	\$ 13.22

The fair value of restricted stock awards that vested during the year ended December 31, 2006, was \$1.8 million.

#### Stock awards

Nonemployee directors may receive shares of common stock instead of cash in payment for directors' fees under the nonemployee director stock compensation plan. There were 48,228 shares with a fair value of \$1.5 million and 50,627 shares with a fair value of \$1.3 million issued under this plan during the years ended December 31, 2007 and 2006, respectively.



Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Income tax expense for the years ended December 31 was as follows:

	2007	2006	2005
<i>(In thousands)</i>			
Current:			
Federal	\$ 106,399	\$ 108,843	\$ 102,736
State	15,135	18,487	20,449
Foreign	235	136	(93)
	<b>121,769</b>	127,466	123,092
Deferred:			
Income taxes –			
Federal	58,030	34,693	19,278
State	9,656	4,357	4,379
Investment tax credit	(414)	(405)	(500)
	<b>67,272</b>	38,645	23,157
Change in uncertain tax benefits	869	---	---
Change in accrued interest	114	---	---
Total income tax expense	<b>\$ 190,024</b>	\$ 166,111	\$ 146,249

Components of deferred tax assets and deferred tax liabilities recognized at December 31 were as follows:

	2007	2006
<i>(In thousands)</i>		
Deferred tax assets:		
Accrued pension costs	\$ 44,002	\$ 43,433
Regulatory matters	43,866	35,978
Asset retirement obligations	15,163	14,789
Deferred compensation	13,677	13,286
Other	45,335	43,818
Total deferred tax assets	<b>162,043</b>	151,304
Deferred tax liabilities:		
Depreciation and basis differences on property, plant and equipment	498,933	445,315
Basis differences on natural gas and oil producing properties	260,417	204,288
Regulatory matters	17,630	18,019
Natural gas and oil price swap and collar agreements	3,989	12,359
Other	42,044	23,894
Total deferred tax liabilities	<b>823,013</b>	703,875
Net deferred income tax liability	<b>\$ (660,970)</b>	\$ (552,571)

As of December 31, 2007 and 2006, no valuation allowance has been recorded associated with

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

the above deferred tax assets.

The following table reconciles the change in the net deferred income tax liability from December 31, 2006, to December 31, 2007, to deferred income tax expense:

	2007
	<i>(In thousands)</i>
Change in net deferred income tax liability from the preceding table	\$ 108,399
Deferred taxes associated with other comprehensive loss	2,804
Deferred taxes associated with acquisitions	(46,229)
Other	2,298
Deferred income tax expense for the period	\$ 67,272

Total income tax expense differs from the amount computed by applying the statutory federal income tax rate to income before taxes. The reasons for this difference were as follows:

Years ended December 31,	2007		2006		2005	
	Amount	%	Amount	%	Amount	%
	<i>(Dollars in thousands)</i>					
Computed tax at federal statutory rate	\$ 179,484	35.0	\$165,861	35.0	\$144,039	35.0
Increases (reductions) resulting from:						
State income taxes, net of federal income tax benefit	17,121	3.3	17,786	3.8	15,064	3.7
Deferred taxes associated with unrepatriated foreign earnings	9,368	1.8	---	---	---	---
Domestic production activities deduction	(4,787)	(.9)	(2,324)	(.5)	(2,219)	(.5)
Depletion allowance	(4,073)	(.8)	(4,784)	(1.0)	(4,381)	(1.1)
Resolution of tax matters	208	---	(3,660)	(.8)	---	---
Foreign operations	235	---	136	---	(4,225)	(1.0)
Other items	(7,532)	(1.3)	(6,904)	(1.4)	(2,029)	(.6)
Total income tax expense	\$ 190,024	37.1	\$166,111	35.1	\$146,249	35.5

Prior to the sale of the domestic independent power production assets on July 10, 2007, as discussed in Note 3, the Company considered earnings (including the gain from the sale of its foreign equity method investment in a natural gas-fired electric generating facility in Brazil in 2005) to be reinvested indefinitely outside of the United States and, accordingly, no U.S. deferred income taxes were recorded with respect to such earnings. Following the sale of these assets, the Company reconsidered its long-term plans for future development and expansion of its foreign investment and has determined that it has no immediate plans to explore or invest in additional foreign investments at this time.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Therefore, in accordance with SFAS No. 109, in the third quarter of 2007, deferred income taxes were accrued with respect to the temporary differences which had not been previously recorded. The cumulative undistributed earnings at December 31, 2007, were approximately \$36 million. The amount of deferred tax liability, net of allowable foreign tax credits, associated with the undistributed earnings and recognized during 2007 was approximately \$9.4 million. Future earnings will also be subject to additional U.S. taxes, net of allowable foreign tax credits.

On January 1, 2007, the Company adopted FIN 48 as discussed in Note 1. The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state, local and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years ending prior to 2004.

Upon the adoption of FIN 48, the Company recognized a decrease in the liability for unrecognized tax benefits, which was not material and was accounted for as an increase to the January 1, 2007, balance of retained earnings. At the date of adoption, the amount of unrecognized tax benefits was \$4.5 million.

A reconciliation of the unrecognized tax benefits (excluding interest) for the year ended December 31, 2007, was as follows:

	<b>2007</b>
	<i>(In thousands)</i>
Balance at beginning of year	<b>\$ 4,241</b>
Additions based on tax positions related to the current year	<b>373</b>
Additions for tax positions of prior years	<b>588</b>
Lapse of statute of limitations	<b>(1,467)</b>
Balance at end of year	<b>\$ 3,735</b>

Included in the balance of unrecognized tax benefits at December 31, 2007, were \$1.6 million of tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. Because of the impact of deferred tax accounting, other than interest and penalties, the disallowance of the shorter deductibility period would not affect the annual effective tax rate but would accelerate the payment of cash to the taxing authority to an earlier period. The amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate at December 31, 2007, was \$2.6 million, including approximately \$441,000 for the payment of interest and penalties.

The Company does not anticipate the amount of unrecognized tax benefits to significantly increase or decrease within the next 12 months.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income taxes. For the years ended December 31, 2007, 2006 and 2005, the Company recognized approximately \$680,000, \$7,100 and \$7,300, respectively, in interest expense. Penalties were not material in 2007, 2006 and 2005. The Company recognized interest income of approximately \$480,000, \$1.5 million and \$62,000 for the years ended December 31, 2007, 2006 and 2005, respectively. The Company had accrued liabilities of approximately \$718,000 and \$436,000 at December 31, 2007 and 2006, respectively, for the payment of interest.

**NOTE 16 - BUSINESS SEGMENT DATA**

The Company's reportable segments are those that are based on the Company's method of internal reporting, which generally segregates the strategic business units due to differences in products, services and regulation. The vast majority of the Company's operations are located within the United States. The Company also has investments in

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

foreign countries, which largely consist of the Company's equity method investment in the Brazilian Transmission Lines.

Prior to the fourth quarter of 2007, the Company reported seven business segments consisting of electric, natural gas distribution, construction services, pipeline and energy services, natural gas and oil production, construction materials and contracting, and independent power production. As discussed in Note 3, the domestic independent power production assets were sold in the third quarter of 2007, and as a result, the remaining independent power production operations are no longer significant and do not meet the criteria to be considered a reportable segment. Therefore, the remaining operations of the independent power production segment, including the Company's equity method investment in the Brazilian Transmission Lines, are reported in the Other category. The other operations do not meet the criteria to be considered a reportable segment. The Company's operations are now conducted through six reportable segments and prior period information has been restated to reflect this change.

The electric segment generates, transmits and distributes electricity in Montana, North Dakota, South Dakota and Wyoming. The natural gas distribution segment distributes natural gas in those states as well as in Minnesota, Oregon and Washington. These operations also supply related value-added products and services.

The construction services segment specializes in electric line construction, pipeline construction, utility excavation, inside electrical wiring, cabling and mechanical work, fire protection and the manufacture and distribution of specialty equipment.

The pipeline and energy services segment provides natural gas transportation, underground storage and gathering services through regulated and nonregulated pipeline systems primarily in the Rocky Mountain and northern Great Plains regions of the United States. The pipeline and energy services segment also provides energy-related management services.

The natural gas and oil production segment is engaged in natural gas and oil acquisition, exploration, development and production activities in the Rocky Mountain and Mid-Continent regions of the United States and in and around the Gulf of Mexico.

The construction materials and contracting segment mines aggregates and markets crushed stone, sand, gravel and related construction materials, including ready-mixed concrete, cement, asphalt, liquid asphalt and other value-added products. It also performs integrated construction services. The construction materials and contracting segment operates in the central, southern and western United States and Alaska and Hawaii.

The Other category includes the activities of Centennial Capital, which insures various types of risks as a captive insurer for certain of the Company's subsidiaries. The function of the captive insurer is to fund the deductible layers of the insured companies' general liability and automobile liability coverages. Centennial Capital also owns certain real and personal property. The Other category also includes the Company's equity investment in the Brazilian Transmission Lines.

The information below follows the same accounting policies as described in the Summary of Significant Accounting Policies. Information on the Company's businesses as of December 31 and for the years then ended was as follows:

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
---	---	--	----------------------------------

NOTES TO FINANCIAL STATEMENTS (Continued)

	2007	2006	2005
	<i>(In thousands)</i>		
External operating revenues:			
Electric	\$ 193,367	\$ 187,301	\$ 181,238
Natural gas distribution	532,997	351,988	384,199
Pipeline and energy services	369,345	349,997	384,887
	<b>1,095,709</b>	889,286	950,324
Construction services	1,102,566	987,079	686,734
Natural gas and oil production	288,148	251,153	163,539
Construction materials and contracting	1,761,473	1,877,021	1,603,326
Other	---	---	---
	<b>3,152,187</b>	3,115,253	2,453,599
Total external operating revenues	<b>\$4,247,896</b>	\$4,004,539	\$3,403,923
Intersegment operating revenues:			
Electric	\$ ---	\$ ---	\$ ---
Natural gas distribution	---	---	---
Construction services	649	503	391
Pipeline and energy services	77,718	93,723	92,424
Natural gas and oil production	226,706	232,799	275,828
Construction materials and contracting	---	---	1,284
Other	10,061	8,117	6,038
Intersegment eliminations	(315,134)	(335,142)	(375,965)
Total intersegment operating revenues	\$ ---	\$ ---	\$ ---
Depreciation, depletion and amortization:			
Electric	\$ 22,549	\$ 21,396	\$ 20,818
Natural gas distribution	19,054	9,776	9,534
Construction services	14,314	15,449	13,459
Pipeline and energy services	21,631	13,288	12,513
Natural gas and oil production	127,408	106,768	84,754
Construction materials and contracting	95,732	88,723	77,988
Other	1,244	1,131	374
Total depreciation, depletion and amortization	<b>\$ 301,932</b>	\$ 256,531	\$ 219,440

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Interest expense:

Electric	\$ 6,737	\$ 6,493	\$ 7,553
Natural gas distribution	13,566	3,885	3,973
Construction services	4,878	6,295	4,177
Pipeline and energy services	8,769	8,094	8,132
Natural gas and oil production	8,394	9,864	7,550
Construction materials and contracting	23,997	25,943	21,365
Other	10,717	11,775	1,861
Intersegment eliminations	(4,821)	(254)	(227)
<b>Total interest expense</b>	<b>\$ 72,237</b>	<b>\$ 72,095</b>	<b>\$ 54,384</b>

Income taxes:

Electric	\$ 8,528	\$ 7,403	\$ 8,308
Natural gas distribution	6,477	2,108	2,240
Construction services	26,829	16,497	9,693
Pipeline and energy services	18,524	18,938	13,735
Natural gas and oil production	78,348	78,960	82,428
Construction materials and contracting	39,045	46,245	29,244
Other	12,273	(4,040)	601
<b>Total income taxes</b>	<b>\$ 190,024</b>	<b>\$ 166,111</b>	<b>\$ 146,249</b>

Earnings on common stock:

Electric	\$ 17,700	\$ 14,401	\$ 13,940
Natural gas distribution	14,044	5,680	3,515
Construction services	43,843	27,851	14,558
Pipeline and energy services	31,408	32,126	22,867
Natural gas and oil production	142,485	145,657	141,625
Construction materials and contracting	77,001	85,702	55,040
Other	(4,380)	(4,324)	13,061

Earnings on common stock before  
income from discontinued  
operations

	322,101	307,093	264,606
Income from discontinued operations, net of tax	109,334	7,979	9,792
<b>Total earnings on common stock</b>	<b>\$ 431,435</b>	<b>\$ 315,072</b>	<b>\$ 274,398</b>

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Capital expenditures:

Electric	\$ 91,548	\$ 39,055	\$ 27,036
Natural gas distribution	500,178	15,398	17,224
Construction services	18,241	31,354	50,900
Pipeline and energy services	39,162	42,749	36,318
Natural gas and oil production	283,589	328,979	329,773
Construction materials and contracting	189,727	141,088	161,977
Other	1,621	2,052	14,722
Net proceeds from sale or disposition of property	(24,983)	(30,501)	(40,460)
Net capital expenditures before discontinued operations	1,099,083	570,174	597,490
Discontinued operations	(548,216)	33,090	132,956
Total net capital expenditures	\$ 550,867	\$ 603,264	\$ 730,446

Assets:

Electric*	\$ 428,200	\$ 353,593	\$ 330,327
Natural gas distribution*	942,454	264,102	271,653
Construction services	456,564	401,832	351,654
Pipeline and energy services	500,755	474,424	466,961
Natural gas and oil production	1,299,406	1,173,797	898,883
Construction materials and contracting	1,642,729	1,562,868	1,498,338
Other**	322,326	672,858	605,746
Total assets	\$5,592,434	\$4,903,474	\$4,423,562

Property, plant and equipment:

Electric*	\$ 784,705	\$ 703,838	\$ 670,771
Natural gas distribution*	948,446	289,106	277,288
Construction services	101,935	94,754	90,110
Pipeline and energy services	600,712	562,596	521,495
Natural gas and oil production	1,923,899	1,636,245	1,303,447
Construction materials and contracting	1,538,716	1,410,657	1,310,426
Other	31,833	30,529	28,467
Less accumulated depreciation, depletion and amortization	2,270,691	1,735,302	1,523,887
Net property, plant and equipment	\$3,659,555	\$2,992,423	\$2,678,117

\* Includes allocations of common utility property.

\*\* Includes the domestic independent power production assets in 2006 and 2005 that were sold in 2007, and assets not directly assignable to a business (i.e. cash and cash equivalents, certain

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

*accounts receivable, certain investments and other miscellaneous current and deferred assets).*

The pipeline and energy services segment recognized income from discontinued operations, net of tax, of \$106,000 for the year ended December 31, 2007, and a loss from discontinued operations, net of tax, of \$2.1 million and \$775,000 for the years ended December 31, 2006 and 2005, respectively. The Other category reflects income from discontinued operations, net of tax, of \$109.2 million, \$10.1 million and \$10.6 million for the years ended December 31, 2007, 2006 and 2005, respectively.

Excluding income (loss) from discontinued operations at pipeline and energy services, earnings from electric, natural gas distribution and pipeline and energy services are substantially all from regulated operations. Earnings from construction services, natural gas and oil production, construction materials and contracting, and other are all from nonregulated operations.

Capital expenditures for 2007, 2006 and 2005 include noncash transactions, including the issuance of the Company's equity securities in connection with acquisitions and the outstanding indebtedness related to the 2007 Cascade acquisition. The noncash transactions were \$217.3 million in 2007, immaterial in 2006 and \$46.5 million in 2005.

**NOTE 17 - EMPLOYEE BENEFIT PLANS**

The Company has noncontributory defined benefit pension plans and other postretirement benefit plans for certain eligible employees. Effective January 1, 2006, the Company discontinued defined pension plan benefits to all nonunion and certain union employees hired after December 31, 2005. These employees that would have been eligible for defined pension plan benefits are eligible to receive additional defined contribution plan benefits. The Company uses a measurement date of December 31 for all of its pension and postretirement benefit plans.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Changes in benefit obligation and plan assets for the year ended December 31, 2007, and amounts recognized in the Consolidated Balance Sheets at December 31, 2007, were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2007	2006	2007	2006
<i>(In thousands)</i>				
Change in benefit obligation:				
Benefit obligation at beginning of year	\$298,398	\$303,393	\$ 67,724	\$ 69,811
Service cost	9,098	8,901	1,865	2,015
Interest cost	18,591	16,056	4,212	3,633
Plan participants' contributions	---	---	1,790	1,533
Actuarial (gain) loss	(8,079)	(14,363)	482	(4,019)
Acquisition	63,556	---	11,734	---
Benefits paid	(21,641)	(15,589)	(6,226)	(5,249)
Benefit obligation at end of year	359,923	298,398	81,581	67,724
Change in plan assets:				
Fair value of plan assets at beginning of year	259,275	245,328	58,747	52,448
Actual gain on plan assets	28,393	27,047	2,357	6,440
Employer contribution	4,236	2,489	3,888	3,575
Plan participants' contributions	---	---	1,790	1,533
Acquisition	60,703	---	13,128	---
Benefits paid	(21,641)	(15,589)	(6,226)	(5,249)
Fair value of plan assets at end of year	330,966	259,275	73,684	58,747
Funded status – under	\$ (28,957)	\$ (39,123)	\$ (7,897)	\$ (8,977)
Amounts recognized in the Consolidated Balance Sheets at December 31:				
Prepaid benefit cost (noncurrent)	\$ 10,253	\$ 4,368	\$ 664	\$ ---
Accrued benefit liability (current)	---	---	(408)	(364)
Accrued benefit liability (noncurrent)	(39,210)	(43,491)	(8,153)	(8,613)
Net amount recognized	\$ (28,957)	\$ (39,123)	\$ (7,897)	\$ (8,977)
Amounts recognized in accumulated other comprehensive loss consist of:				
Actuarial (gain) loss	\$ 30,006	\$ 30,415	\$ (2,466)	\$(13,718)
Prior service cost (credit)	3,350	5,948	(10,524)	648
Transition obligation	---	---	10,628	12,753
Total	\$ 33,356	\$ 36,363	\$ (2,362)	\$ (317)

Employer contributions and benefits paid in the above table include only those amounts contributed directly to, or paid directly from, plan assets.

Unrecognized pension actuarial losses in excess of 10 percent of the greater of the projected benefit obligation or the market-related value of assets is amortized on a straight-line basis over the expected average remaining service lives of active participants. The market-related value of assets is determined using a five-year average of assets. Unrecognized postretirement net transition obligation is amortized over a 20-year period ending 2012.

The accumulated benefit obligation for the defined benefit pension plans reflected above was \$307.7 million and \$245.6 million at December 31, 2007 and 2006, respectively.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets at December 31, 2007 and 2006, were as follows:

	2007	2006
	<i>(In thousands)</i>	
Projected benefit obligation	<b>\$106,236</b>	\$187,638
Accumulated benefit obligation	<b>\$ 95,435</b>	\$151,850
Fair value of plan assets	<b>\$ 94,845</b>	\$148,261

Components of net periodic benefit cost for the Company's pension and other postretirement benefit plans for the years ended December 31, 2007 and 2006, were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2007	2006	2007	2006
	<i>(In thousands)</i>			
Components of net periodic benefit cost:				
Service cost	<b>\$ 9,098</b>	\$ 8,901	<b>\$ 1,865</b>	\$ 2,015
Interest cost	<b>18,591</b>	16,056	<b>4,212</b>	3,633
Expected return on assets	<b>(22,524)</b>	(19,913)	<b>(4,776)</b>	(4,119)
Amortization of prior service cost (credit)	<b>756</b>	913	<b>(1,300)</b>	46
Recognized net actuarial (gain) loss	<b>1,605</b>	1,699	<b>73</b>	(243)
Amortization of net transition obligation (asset)	---	(3)	<b>2,125</b>	2,125
Net periodic benefit cost, including amount capitalized	<b>7,526</b>	7,653	<b>2,199</b>	3,457
Less amount capitalized	<b>991</b>	689	<b>373</b>	261
Net periodic benefit cost	<b>6,535</b>	6,964	<b>1,826</b>	3,196
Other changes in plan assets and benefit obligations recognized in accumulated other comprehensive loss:				
Net (gain) loss	<b>(11,095)</b>	(22,983)	<b>1,507</b>	(6,340)
Acquisition-related actuarial loss	<b>12,291</b>	---	<b>9,818</b>	---
Acquisition-related prior service credit	<b>(1,842)</b>	---	<b>(12,472)</b>	---
Amortization of actuarial gain (loss)	<b>(1,605)</b>	(1,699)	<b>(73)</b>	243
Amortization of prior service cost (credit)	<b>(756)</b>	(913)	<b>1,300</b>	(46)
Amortization of net transition (obligation) asset	---	3	<b>(2,125)</b>	(2,125)
Total recognized in accumulated other comprehensive loss	<b>(3,007)</b>	(25,592)	<b>(2,045)</b>	(8,268)
Total recognized in net periodic benefit cost and accumulated other comprehensive loss	<b>\$ 3,528</b>	\$(18,628)	<b>\$ (219)</b>	\$ (5,072)

Components of net periodic benefit cost for the Company's pension and other postretirement benefit plans for the year ended December 31, 2005, was as follows:

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

	Pension Benefits	Other Postretirement Benefits
	2005	2005
(In thousands)		
Components of net periodic benefit cost:		
Service cost	\$ 8,336	\$ 1,719
Interest cost	16,617	3,784
Expected return on assets	(19,947)	(4,005)
Amortization of prior service cost	1,025	45
Recognized net actuarial (gain) loss	1,385	(549)
Amortization of net transition obligation (asset)	(45)	2,126
Net periodic benefit cost, including amount capitalized	7,371	3,120
Less amount capitalized	730	313
Net periodic benefit cost	\$ 6,641	\$ 2,807

The estimated net loss and prior service cost for the defined benefit pension plans that will be amortized from accumulated other comprehensive loss into net periodic benefit cost in 2008 are \$967,000 and \$665,000, respectively. The estimated net loss, prior service credit and transition obligation for the other postretirement benefit plans that will be amortized from accumulated other comprehensive loss into net periodic benefit cost in 2008 are \$461,000, \$2.8 million and \$2.1 million, respectively.

Weighted average assumptions used to determine benefit obligations at December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2007	2006	2007	2006
Discount rate	6.00%	5.75%	6.00%	5.75%
Rate of compensation increase	4.20%	4.30%	4.50%	4.50%

Weighted average assumptions used to determine net periodic benefit cost for the years ended December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2007	2006	2007	2006
Discount rate	5.75%	5.50%	5.75%	5.50%
Expected return on plan assets	8.40%	8.50%	7.50%	7.50%
Rate of compensation increase	4.20%	4.30%	4.50%	4.50%

The expected rate of return on plan assets is based on the targeted asset allocation of 70

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

percent equity securities and 30 percent fixed-income securities and the expected rate of return from these asset categories. The expected return on plan assets for other postretirement benefits reflects insurance-related investment costs.

Health care rate assumptions for the Company's other postretirement benefit plans as of December 31 were as follows:

	2007	2006
Health care trend rate assumed for next year	6.0%-10.0%	6.0%-9.0%
Health care cost trend rate – ultimate	5.0%-6.0%	5.0%-6.0%
Year in which ultimate trend rate achieved	1999-2017	1999-2014

The Company's other postretirement benefit plans include health care and life insurance benefits for certain employees. The plans underlying these benefits may require contributions by the employee depending on such employee's age and years of service at retirement or the date of retirement. The accounting for the health care plans anticipates future cost-sharing changes that are consistent with the Company's expressed intent to generally increase retiree contributions each year by the excess of the expected health care cost trend rate over 6 percent.

Assumed health care cost trend rates may have a significant effect on the amounts reported for the health care plans. A one percentage point change in the assumed health care cost trend rates would have had the following effects at December 31, 2007:

	1 Percentage Point Increase	1 Percentage Point Decrease
<i>(In thousands)</i>		
Effect on total of service and interest cost components	\$ (21)	\$ (930)
Effect on postretirement benefit obligation	\$1,335	\$(9,796)

The Company's defined benefit pension plans' asset allocation at December 31, 2007 and 2006, and weighted average targeted asset allocations at December 31, 2007, were as follows:

Asset Category	Percentage of Plan Assets		Weighted Average Targeted Asset Allocation Percentage
	2007	2006	2007
Equity securities	66%	69%	70%
Fixed-income securities	29	27	30*
Other	5	4	---
Total	100%	100%	100%

\* Includes target for both fixed-income securities and other.

The Company's pension assets are managed by 12 outside investment managers. The Company's other postretirement assets are managed by three outside investment managers. The

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Company's investment policy with respect to pension and other postretirement assets is to make investments solely in the interest of the participants and beneficiaries of the plans and for the exclusive purpose of providing benefits accrued and defraying the reasonable expenses of administration. The Company strives to maintain investment diversification to assist in minimizing the risk of large losses. The Company's policy guidelines allow for investment of funds in cash equivalents, fixed-income securities and equity securities. The guidelines prohibit investment in commodities and future contracts, equity private placement, employer securities, leveraged or derivative securities, options, direct real estate investments, precious metals, venture capital and limited partnerships. The guidelines also prohibit short selling and margin transactions. The Company's practice is to periodically review and rebalance asset categories based on its targeted asset allocation percentage policy.

The Company's other postretirement benefit plans' asset allocation at December 31, 2007 and 2006, and weighted average targeted asset allocation at December 31, 2007, were as follows:

Asset Category	Percentage of Plan Assets		Weighted Average Targeted Asset Allocation Percentage
	2007	2006	2007
Equity securities	70%	70%	70%
Fixed-income securities	27	27	30*
Other	3	3	---
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\* Includes target for both fixed-income securities and other.

The Company expects to contribute approximately \$5.6 million to its defined benefit pension plans and approximately \$3.5 million to its postretirement benefit plans in 2008.

The following benefit payments, which reflect future service, as appropriate, are expected to be paid:

Years	Pension Benefits	Other Postretirement Benefits
<i>(In thousands)</i>		
2008	\$18,199	\$5,229
2009	18,993	5,429
2010	20,144	5,630
2011	21,046	5,852
2012	22,388	6,067
2013-2017	130,377	33,643

The following Medicare Part D subsidies are expected: \$736,000 in 2008; \$786,000 in 2009; \$841,000 in 2010; \$889,000 in 2011; \$948,000 in 2012; and \$5.6 million during the years 2013 through 2017.

In addition to company-sponsored plans, certain employees are covered under multi-employer pension plans administered by a union. Amounts contributed to the multi-employer plans

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

were \$51.5 million, \$57.6 million and \$39.6 million in 2007, 2006 and 2005, respectively.

In addition to the qualified plan defined pension benefits reflected in the table at the beginning of this note, the Company also has an unfunded, nonqualified benefit plan for executive officers and certain key management employees that generally provides for defined benefit payments at age 65 following the employee's retirement or to their beneficiaries upon death for a 15-year period. The Company had investments of \$55.0 million at December 31, 2007, consisting of equity securities of \$26.4 million, life insurance carried on plan participants (payable upon the employee's death) of \$20.8 million, fixed-income securities of \$4.0 million, and other investments of \$3.8 million, which the Company anticipates using to satisfy obligations under this plan. The Company's net periodic benefit cost for this plan was \$7.6 million, \$7.5 million and \$7.4 million in 2007, 2006 and 2005, respectively. The total projected benefit obligation for this plan was \$80.6 million and \$69.5 million at December 31, 2007 and 2006, respectively. The accumulated benefit obligation for this plan was \$69.3 million and \$57.4 million at December 31, 2007 and 2006, respectively. A discount rate of 6.00 percent and 5.75 percent at December 31, 2007 and 2006, respectively, and a rate of compensation increase of 4.25 percent at December 31, 2007 and 2006, were used to determine benefit obligations. A discount rate of 5.75 percent and 5.50 percent at December 31, 2007 and 2006, respectively, and a rate of compensation increase of 4.25 percent at December 31, 2007 and 2006, were used to determine net periodic benefit cost.

The amount of benefit payments for the unfunded, nonqualified benefit plan, as appropriate, are expected to aggregate \$3.5 million in 2008; \$3.6 million in 2009; \$4.1 million in 2010; \$4.4 million in 2011; \$4.8 million in 2012; and \$31.1 million for the years 2013 through 2017.

The Company sponsors various defined contribution plans for eligible employees. Costs incurred by the Company under these plans were \$21.1 million in 2007, \$17.3 million in 2006 and \$17.0 million in 2005. The costs incurred in each year reflect additional participants as a result of business acquisitions.

SFAS No. 158 became effective for the Company as of December 31, 2006. The adoption resulted in a negative transition effect on accumulated other comprehensive loss of \$18.5 million.

**NOTE 18 - JOINTLY OWNED FACILITIES**

The consolidated financial statements include the Company's 22.7 percent and 25.0 percent ownership interests in the assets, liabilities and expenses of the Big Stone Station and the Coyote Station, respectively. Each owner of the Big Stone and Coyote stations is responsible for financing its investment in the jointly owned facilities.

The Company's share of the Big Stone Station and Coyote Station operating expenses was reflected in the appropriate categories of operating expenses in the Consolidated Statements of Income.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

At December 31, the Company's share of the cost of utility plant in service and related accumulated depreciation for the stations was as follows:

	2007	2006
<i>(In thousands)</i>		
<b>Big Stone Station:</b>		
Utility plant in service	\$ 61,568	\$ 55,659
Less accumulated depreciation	39,168	38,881
	\$ 22,400	\$ 16,778
<b>Coyote Station:</b>		
Utility plant in service	\$125,826	\$125,950
Less accumulated depreciation	79,783	78,056
	\$ 46,043	\$ 47,894

**NOTE 19 - REGULATORY MATTERS AND REVENUES SUBJECT TO REFUND**

In August 2006, CMS, a competing gas marketer, filed a complaint against Cascade before the WUTC alleging Cascade had entered into gas supply sales contracts with its non-core, transportation-only customers in violation of state law by not filing tariffs and copies of the gas supply contracts with the WUTC. CMS's complaint additionally raised claims of undue preference and discrimination. On January 12, 2007, the WUTC entered an order allowing Cascade to continue to make gas supply sales to non-core, transportation-only customers but requiring Cascade to file its tariffs and sales contracts with the WUTC. On February 12, 2007, Cascade filed revisions to its tariffs reflecting gas supply service options available to non-core, transportation-only customers; however, on March 14, 2007, the WUTC suspended the tariff filing. On March 30, 2007, due to the lack of approved tariffs, Cascade filed notice with the WUTC that it was reactivating a nonregulated affiliate to make retail gas sales to non-core, transportation-only customers. The WUTC consolidated the tariff proceeding with Cascade's filing to re-establish an affiliate to make non-core, transportation-only customer gas supply sales. On December 7, 2007, the WUTC filed a complaint against Cascade alleging it is in violation of its most recent general rate case settlement by not sharing gas supply sales margins with core customers. Cascade filed an answer to the complaint on December 27, 2007. On February 6, 2008, Cascade and the other participant parties entered into an agreement settling the issues in all of the above proceedings. Under the settlement, Cascade and its subsidiaries will discontinue the unbundled retail sale of gas supply to non-core, transportation-only customers by November 1, 2008. Fifty percent of the net gas supply sales margins realized from non-core, transportation-only customers by Cascade and its subsidiaries from April 1, 2007, through October 31, 2008, and fifty percent of the net gain, if any, from the sale of such business, will be credited to Cascade's core customers. Cascade will also revise its gas procurement strategy for core customers to enhance its ability to acquire gas supply from the Rocky Mountain region. The settlement is subject to approval by the WUTC. Cascade has reserved an amount for the crediting of the net gas supply sales margins generated from April 1, 2007, through December 31, 2007. Cascade does not consider the discontinuance of gas supply sales to non-core, transportation-only customers to have a material impact on its financial position or results of operations.

On July 12, 2007, Montana-Dakota filed an application with the MTPSC for an electric rate increase. Montana-Dakota requested a total of \$7.8 million annually or approximately 22 percent above current rates. Montana-Dakota requested a fuel and purchased power tracking adjustment and an off-system sales margin sharing adjustment. Montana-Dakota also requested an interim increase of \$3.9 million annually, subject to refund. On December 5, 2007, the MTPSC granted an interim increase of \$3.4 million annually. On February 8, 2008, Montana-Dakota and the interveners reached a settlement stipulation (subject to MTPSC approval) applicable to this filing whereby the \$3.4 million of interim rate relief will

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

become final upon approval of the stipulation and an additional annual rate increase of \$730,000 will become effective January 1, 2009. As part of the settlement, Montana-Dakota will be allowed to implement a fuel and purchased power tracking mechanism on a shared basis, a margin sharing mechanism for off-system sales, and modify certain decommissioning and net negative salvage cost accruals. Also, Montana-Dakota will agree to not implement new rates from any subsequent general rate filings before January 1, 2010.

In November 2006, Montana-Dakota filed an application with the NDPSC requesting an advance determination of prudence of Montana-Dakota's ownership interest in Big Stone Station II, which is expected to be completed in 2013. Hearings on the application were held in June 2007. In September 2007, Montana-Dakota informed the NDPSC that certain of the other participants in the project had withdrawn, that it was considering the impact of these withdrawals on the project and its options, and proposed that the NDPSC suspend the procedural schedule. In October 2007, Montana-Dakota proposed to supplement the record with additional resource planning analysis reflecting changes in plant configuration as a result of the participant withdrawals. On February 1, 2008, the NDPSC issued an order setting supplemental hearings to commence April 28, 2008. The MNPUC is expected to rule on the issuance of the related transmission Certificate of Need in April 2008 and the NDPSC is expected to rule on the advance determination of prudence in June 2008.

In December 1999, Williston Basin filed a general natural gas rate change application with the FERC. Williston Basin began collecting such rates effective June 1, 2000, subject to refund. Currently, the only remaining issue outstanding related to this rate change application is in regard to certain service restrictions. In May 2004, the FERC remanded this issue to an ALJ for resolution. In November 2005, the FERC issued an Order on Initial Decision affirming the ALJ's Initial Decision regarding certain service and annual demand quantity restrictions. In April 2006, the FERC issued an Order on Rehearing denying Williston Basin's Request for Rehearing of the FERC's Order on Initial Decision. In April 2006, Williston Basin appealed to the D.C. Appeals Court certain issues addressed by the FERC's Order on Initial Decision and its Order on Rehearing. The matter concerning the service restrictions is pending resolution by the D.C. Appeals Court.

**NOTE 20 - COMMITMENTS AND CONTINGENCIES**

**Litigation**

**Coalbed Natural Gas Operations** Fidelity has been named as a defendant in, and/or certain of its operations are or have been the subject of, more than a dozen lawsuits filed in connection with its CBNG development in the Powder River Basin in Montana and Wyoming. These lawsuits were filed in federal and state courts in Montana between June 2000 and January 2007 by a number of environmental organizations, including the NPRC and the Montana Environmental Information Center, as well as the TRWUA and the Northern Cheyenne Tribe. Portions of three of the lawsuits have been transferred to the Wyoming Federal District Court. The lawsuits involve allegations that Fidelity and/or various government agencies are in violation of state and/or federal law, including the Clean Water Act, the NEPA, the Federal Land Management Policy Act, the NHPA, the Montana State Constitution, the Montana Environmental Policy Act and the Montana Water Quality Act. The suits that remain extant include a variety of claims that state and federal government agencies violated various environmental laws that impose procedural and substantive requirements. The lawsuits seek injunctive relief, invalidation of various permits and unspecified damages. In addition, Fidelity has intervened or moved to intervene in three lawsuits filed by other gas producers between June and September 2006 that challenge rules adopted by the BER related to management of water associated with CBNG production. The state of Wyoming has filed a similar suit in September 2006 and Fidelity moved to intervene in that action. Fidelity is partly funding the Petroleum Association of Wyoming's intervention in two suits. The first was brought by two landowners against the Wyoming State Engineer and the Wyoming Board of Control challenging the state's CBNG groundwater permitting practices. The second suit was brought by the Wyoming Outdoor Council and Powder River Basin Resource Council appealing the Wyoming Environmental Quality Council's rules establishing water quality standards relating to discharges of water associated with CBNG production.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.		12/31/2007	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

In suits filed in the Montana Federal District Court, the NPRC and the Northern Cheyenne Tribe asserted that the BLM violated NEPA and other federal laws when approving the 2003 EIS analyzing CBNG development in southeastern Montana. The Montana Federal District Court, in February 2005, entered a ruling finding that the 2003 EIS was inadequate. The Montana Federal District Court later entered an order that would have allowed limited CBNG development in the Montana Powder River Basin pending the BLM's preparation of a SEIS. The plaintiffs appealed the decision to the Ninth Circuit because the Montana Federal District Court declined to enter an injunction enjoining all development pending completion of the SEIS. The Montana Federal District Court also declined to enter an injunction pending the appeal. In May 2005, the Ninth Circuit granted the request of the NPRC and the Northern Cheyenne Tribe and, pending appeal or further order from the Ninth Circuit, enjoined the BLM from approving any new CBNG development on federal lands in the Montana Powder River Basin. The Ninth Circuit also enjoined Fidelity from drilling any additional federally permitted wells associated with its Montana Coal Creek Project and from constructing infrastructure to produce and transport CBNG from the Coal Creek Project's existing federal wells. The matter was briefed and argued to the Ninth Circuit in September 2005. On September 11, 2007, the Ninth Circuit affirmed the Montana Federal District Court and ruled it had correctly issued an injunction allowing up to 500 CBNG wells to be drilled each year on private, state and federal land in the Montana Powder River Basin. On October 29, 2007, in response to a motion filed by Fidelity, the Ninth Circuit lifted the 2005 injunction it had earlier issued pending the appeal. On the same date, the Ninth Circuit ordered Fidelity to respond within 21 days to the Northern Cheyenne Tribe and the NPRC's October 16, 2007, petition to the Ninth Circuit to rehear the case. On January 15, 2008, the Ninth Circuit denied the petition for rehearing.

In December 2006, the BLM issued a draft SEIS that endorses a phased-development approach to CBNG production in the Montana Powder River Basin, whereby future projects would be reviewed against four screens or filters (relating to water quality, wildlife, Native American concerns and air quality). Fidelity filed written comments on the draft SEIS asking the BLM to reconsider its proposed phased-development approach and to make numerous other changes to the draft SEIS. The public comment period on the draft SEIS concluded on May 2, 2007. In response to comments, the BLM published an Air Quality Supplement to the draft SEIS with the public comment period ending March 13, 2008. The final SEIS is scheduled for release in July 2008 with a Record of Decision expected in December 2008. Fidelity cannot predict what the final terms of the SEIS will be.

In related actions in the Montana Federal District Court, the NPRC and the Northern Cheyenne Tribe asserted, among other things, that the actions of the BLM in approving Fidelity's applications for permits and the plan of development for the Badger Hills Project in Montana did not comply with applicable federal laws, including the NHPA and the NEPA. In June 2005, the Montana Federal District Court issued orders in these cases enjoining operations on Fidelity's Badger Hills Project pending the BLM's consultation with the Northern Cheyenne Tribe as to satisfaction of the applicable requirements of the NHPA and a further environmental analysis under the NEPA. Fidelity sought and obtained stays of the injunctive relief from the Montana Federal District Court and production from Fidelity's Badger Hills Project continues. In September 2005, the Montana Federal District Court entered an Order based on a stipulation between the parties to the NPRC action that production from existing wells in Fidelity's Badger Hills Project may continue pending preparation of a revised environmental analysis. In November 2005, the Montana Federal District Court entered an Order dismissing the Northern Cheyenne Tribe lawsuit based on the parties' stipulation that production from existing wells in Fidelity's Badger Hills Project could continue pending consultation with the Northern Cheyenne Tribe under the NHPA. In December 2005, Fidelity filed a Notice of Appeal of the NPRC lawsuit to the Ninth Circuit in connection with the Montana Federal District Court's decision insofar as it found the BLM's approval of Fidelity's applications did not comply with applicable law.

In May 2005, the NPRC and other petitioners filed a petition with the BER to promulgate rules related to the management of water produced in association with CBNG operations.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Thereafter, the BER initiated related rulemaking proceedings to consider rules that would, if promulgated, require re-injection of water produced in connection with CBNG operations, treatment of such water in the event re-injection is not feasible and amend the non-degradation policy in connection with CBNG development to include additional limitations on factors deemed harmful, thereby restricting discharges even further than under the previous standards. In March 2006, the BER issued its decision on the rulemaking petition. The BER rejected the proposed requirement of re-injection of water produced in connection with CBNG and deferred action on the proposed treatment requirement. The BER adopted the proposed amendment to the non-degradation policy. While it is possible the BER's ruling could have an adverse impact on Fidelity's operations, Fidelity believes that two five-year water discharge permits issued by the Montana DEQ in February 2006 should, assuming normal operating conditions, allow Fidelity to continue its existing CBNG operations at least through the expiration of the permits in March 2011. However, these permits are now under challenge in Montana state court by the Northern Cheyenne Tribe. Specifically, in April 2006, the Northern Cheyenne Tribe filed a complaint in the District Court of Big Horn County against the Montana DEQ seeking to set aside the two permits. The Northern Cheyenne Tribe asserted the Montana DEQ issued the permits in violation of various federal and state environmental laws. In particular, the Northern Cheyenne Tribe claimed the agency violated the Clean Water Act and the Montana Water Quality Act by failing to include in the permits conditions requiring application of the best practicable control technology currently available and by failing to impose a non-degradation policy like the one the BER adopted soon after the permit was issued. In addition, the Northern Cheyenne Tribe claimed that the actions of the Montana DEQ violated the Montana State Constitution's guarantee of a clean and healthful environment, that the Montana DEQ's related environmental assessment was invalid, that the Montana DEQ was required, but failed, to prepare an EIS and that the Montana DEQ failed to consider other alternatives to the issuance of the permits. Fidelity, the NPRC and the TRWUA have been granted leave to intervene in this proceeding. The parties have submitted cross motions for summary judgment. The motions were argued to the District Court of Big Horn County on February 28, 2007. Fidelity's discharge of water pursuant to its two permits is its primary means for managing CBNG produced water. If its permits are set aside, Fidelity's CBNG operations in Montana could be significantly and adversely affected.

In a related proceeding, in July 2006, Fidelity filed a motion to intervene in a lawsuit filed in the District Court of Big Horn County by other producers. The lawsuit challenges the BER's 2006 rulemaking, which amended the non-degradation policy, as well as the BER's 2003 rulemaking procedure which first set numeric limits for certain parameters contained in water produced in connection with CBNG operations. Fidelity's motion for intervention was granted in August 2006. The parties have briefed cross motions for summary judgment and the District Court of Big Horn County heard oral argument on those motions on July 2, 2007. On October 17, 2007, the District Court of Big Horn County entered an order granting the motions filed by the BER and others and denying the motions filed by Fidelity and other producers. The other producers appealed the order on December 26, 2007. Fidelity is not participating in the appeal.

Similarly, industry members have filed two lawsuits, and the state of Wyoming has filed one lawsuit, in Wyoming Federal District Court. These lawsuits challenge the EPA's failure to timely disapprove the 2006 rules. All three Wyoming lawsuits were consolidated in September 2006. Fidelity has moved to intervene in these consolidated cases.

Fidelity has also intervened in a Wyoming State District Court case in support of the Governor of Wyoming's decision not to promulgate rules which were proposed by the Powder River Basin Resource Council that would have granted Wyoming's DEQ authority to regulate water quantity issues that are currently regulated by the Wyoming State Engineer. In November 2007, the Wyoming State District Court dismissed the suit. The Powder River Basin Resource Council did not appeal.

Fidelity is partly funding the Petroleum Association of Wyoming's intervention in two suits. In the first case, in which the Petroleum Association of Wyoming's motion to

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

intervene has been conditionally granted, the Powder River Basin Resource Council is funding litigation on behalf of two surface owners against the Wyoming State Engineer and the Wyoming Board of Control. The plaintiffs in the action, filed in Wyoming State District Court on June 14, 2007, seek a declaratory judgment that current ground water permitting practices are unlawful; that would mandate that the state adopt rules and procedures to ensure that coalbed groundwater is managed in accordance with the Wyoming Constitution and other laws; and that would prohibit the Wyoming State Engineer from issuing permits to produce coalbed groundwater and permits to store coalbed groundwater in reservoirs until the Wyoming State Engineer adopts such rules. In the second case, the Wyoming Outdoor Council and Powder River Basin Resource Council filed a petition on May 25, 2007, in the Wyoming State District Court seeking to invalidate the Environmental Quality Council's approval of amendments to Chapter 1 of the Wyoming Water Quality Rules and Regulations that subject certain discharges of water produced in connection with CBNG development to stricter water quality standards. The plaintiffs contend that the Wyoming DEQ's actions were arbitrary and capricious and that the rules are not in accordance with the Clean Water Act.

Fidelity will continue to vigorously defend its interests in all CBNG-related lawsuits and related actions in which it is involved, including the proceedings challenging its water permits. In those cases where damage claims have been asserted, Fidelity is unable to quantify the damages sought and will be unable to do so until after the completion of discovery. If the plaintiffs are successful in these lawsuits, the ultimate outcome of the actions could have a material adverse effect on Fidelity's existing CBNG operations and/or the future development of this resource in the affected regions.

**Electric Operations** Montana-Dakota joined with two electric generators in appealing a September 2003 finding by the ND Health Department that it may unilaterally revise operating permits previously issued to electric generating plants. Although it is doubtful that any revision of Montana-Dakota's operating permits by the ND Health Department would reduce the amount of electricity its plants could generate, the finding, if allowed to stand, could increase costs for sulfur dioxide removal and/or limit Montana-Dakota's ability to modify or expand operations at its North Dakota generation sites. Montana-Dakota and the other electric generators filed their appeal of the order in October 2003 in the Burleigh County District Court in Bismarck, North Dakota. Proceedings were stayed pending conclusion of the periodic review of sulfur dioxide emissions in the state.

In September 2005, the ND Health Department issued its final periodic review decision based on its August 2005 final air quality modeling report. The ND Health Department concluded there were no violations of the sulfur dioxide increment in North Dakota. In March 2006, the DRC filed a complaint in Colorado Federal District Court seeking to force the EPA to declare that the increment had been violated based on earlier modeling conducted by the EPA. The EPA defended against the DRC claim and filed a motion to dismiss the case. The Colorado Federal District Court has dismissed the case.

On June 6, 2007, the EPA noticed for public comment a proposed rule that would, among other things, adopt PSD increment modeling refinements that, if adopted, would operate to formally ratify the modeling techniques and conclusions contained in the September 2005 ND Health Department decision and the August 2005 final report. The public comment period on the proposed rule closed September 28, 2007. The dismissal of the case in Burleigh County District Court referenced above is dependant upon the outcome of the proposed rule.

In November 2006, the Sierra Club sent a notice of intent to file a citizen suit in federal court under the Clean Air Act to the co-owners, including Montana-Dakota, of the Big Stone Station. The suit would seek injunctive relief and monetary penalties based on the Sierra Club's claim that three projects conducted at the Big Stone Station between 1995 and 2005 were modifications of a major source and that the Big Stone Station failed to obtain a PSD permit, conduct best available control technology analyses, and comply with other regulatory requirements for those projects. The South Dakota Department of

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Environment and Natural Resources reviewed and approved the three projects and the co-owners of the Big Stone Station believe the Sierra Club's claims are without merit. The Big Stone Station co-owners intend to vigorously defend their interests if the suit is filed.

**Natural Gas Storage** Based on reservoir and well pressure data and other information, Williston Basin believes that reservoir pressure (and therefore the amount of gas) in the EBSR, one of its natural gas storage reservoirs, has decreased as a result of Howell and Anadarko's drilling and production activities in areas within and near the boundaries of the EBSR. As of December 31, 2007, Williston Basin estimated that between 9.5 and 10 Bcf of storage gas had been diverted from the EBSR as a result of Howell and Anadarko's drilling and production.

Williston Basin filed suit in Montana Federal District Court in January 2006, seeking to recover unspecified damages from Howell and Anadarko, and to enjoin Howell and Anadarko's present and future production from specified wells in and near the EBSR. The Montana Federal District Court entered an Order in July 2006, dismissing the case for lack of subject matter jurisdiction. Williston Basin filed a Notice of Appeal to the Ninth Circuit in July 2006. The parties have briefed the issues. Oral argument was held on February 5, 2008.

In related litigation, Howell filed suit in Wyoming State District Court against Williston Basin in February 2006 asserting that it is entitled to produce any gas that might escape from the EBSR. In August 2006, Williston Basin moved for a preliminary injunction to halt Howell and Anadarko's production in and near the EBSR. A district court-appointed special master conducted a hearing on the motion in December 2006, and recommended denial of the motion on February 15, 2007. The Wyoming State District Court adopted the special master's report on July 25, 2007, and denied Williston Basin's motion for a preliminary injunction. On June 25, 2007, the Wyoming State District Court filed a motion with the Wyoming Supreme Court requesting it to answer questions of law concerning the production of Williston Basin's storage gas by Howell and Anadarko. On July 10, 2007, the Wyoming Supreme Court issued an Order declining to answer those questions. The Wyoming State District Court has set the case for trial beginning September 29, 2008. On December 12, 2007, motions were argued to the special master concerning the application of certain legal principles to the production of Williston Basin's storage gas by Howell and Anadarko. The parties await a decision.

As noted above, Williston Basin estimates that as of December 31, 2007, Howell and Anadarko had diverted between 9.5 and 10 Bcf from the EBSR. Williston Basin believes Howell and Anadarko continue to divert gas from the EBSR and Williston Basin continues to monitor and analyze the situation. At trial, Williston Basin will seek recovery based on the amount of gas that has been and continues to be diverted as well as on the amount of gas that must be recovered as a result of the equalization of the pressures of various interconnected geological formations.

In expert reports filed with the Wyoming State District Court in January 2008, Williston Basin's experts are of the opinion that all of the gas produced by Howell and Anadarko is Williston Basin's gas and will have to be replaced. Williston Basin's experts estimate that the replacement cost of the gas produced by Howell and Anadarko through October 2007 is approximately \$106 million if injection is completed by the end of the 2010 injection season. Williston Basin's experts also estimate that Williston Basin will expend \$8.7 million to mitigate the damages that Williston Basin suffered during the period of Howell and Anadarko's production if the replacement gas is injected by the end of the 2010 injection season. Williston Basin believes that its experts' opinions are based on sound law, economics, reservoir engineering, geology and geochemistry. The expert reports filed by Howell and Anadarko claim that storage gas owned by Williston Basin has migrated outside the EBSR into areas in which Howell and Anadarko have oil and gas rights. They theorize that Williston Basin is accountable to Howell and Anadarko for the migration of such gas. Although Howell and Anadarko have not specified the amount of damages they seek

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

to recover, Williston Basin believes Howell and Anadarko's proposed methodology for valuing their alleged injury, if any, is flawed, inconsistent and lacking in factual and legal support. Williston Basin continues to evaluate the Howell and Anadarko reports. The parties have until May 14, 2008, to file rebuttal reports with the Wyoming State District Court.

Williston Basin intends to vigorously defend its rights and interests in these proceedings, to assess further avenues for recovery through the regulatory process at the FERC, and to pursue the recovery of any and all economic losses it may have suffered. Williston Basin cannot predict the ultimate outcome of these proceedings.

In light of the actions of Howell and Anadarko, Williston Basin installed temporary compression at the site in 2006 in order to maintain deliverability into the transmission system. Williston Basin has leased working gas for the 2007 - 2008 heating season to supplement its cushion gas. While installation of the additional compression has provided temporary relief and the addition of leased working gas is expected to provide additional temporary relief, Williston Basin believes that the adverse physical and operational effects occasioned by the continued loss of storage gas, if left unchecked, could threaten the operation and viability of the EBSR, impair Williston Basin's ability to comply with the EBSR certificated operating requirements mandated by the FERC and adversely affect Williston Basin's ability to meet its contractual storage and transportation service commitments to customers.

The Company also is involved in other legal actions in the ordinary course of its business. Although the outcomes of any such legal actions cannot be predicted, management believes that the outcomes with respect to these other legal proceedings will not have a material adverse effect upon the Company's financial position or results of operations.

**Environmental matters**

**Portland Harbor Site** In December 2000, MBI was named by the EPA as a Potentially Responsible Party in connection with the cleanup of a riverbed site adjacent to a commercial property site, acquired by MBI in 1999. The riverbed site is part of the Portland, Oregon, Harbor Superfund Site. Sixty-eight other parties were also named in this administrative action. The EPA wants responsible parties to share in the cleanup of sediment contamination in the Willamette River. To date, costs of the overall remedial investigation of the harbor site for both the EPA and the Oregon DEQ are being recorded, and initially paid, through an administrative consent order by the LWG, a group of 10 entities, which does not include MBI or Georgia-Pacific West, Inc., the seller of the commercial property to MBI. Although the LWG originally estimated the overall remedial investigation and feasibility study would cost approximately \$10 million, it is now anticipated, on the basis of costs incurred to date and delays attributable to an additional round of sampling and potential further investigative work, that such cost could increase to a total in excess of \$60 million. It is not possible to estimate the cost of a corrective action plan until the remedial investigation and feasibility study has been completed, the EPA has decided on a strategy and a record of decision has been published. While the remedial investigation and feasibility study for the harbor site has commenced, it is expected to take several more years to complete. The development of a proposed plan and record of decision on the harbor site is not anticipated to occur until 2010, after which a cleanup plan will be undertaken. MBI also received notice in January 2008 that the Portland Harbor Natural Resource Trustee Council intends to perform an injury assessment to natural resources resulting from the release of hazardous substances at the Harbor Superfund Site. The Trustee Council indicates the injury determination is appropriate to facilitate early settlement of damages and restoration for natural resource injuries.

Based upon a review of the Portland Harbor sediment contamination evaluation by the Oregon DEQ and other information available, MBI does not believe it is a Responsible Party. In addition, MBI has notified Georgia-Pacific West, Inc., that it intends to seek indemnity for any and all liabilities incurred in relation to the above matters, pursuant to the

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

terms of their sale agreement. MBI has entered into an agreement tolling the statute of limitation in connection with the LWG's potential claim for contribution to the costs of the remedial investigation and feasibility study.

The Company believes it is not probable that it will incur any material environmental remediation costs or damages in relation to the above referenced administrative action.

**Manufactured Gas Plant Sites** There are two claims against Cascade for cleanup of environmental contamination at manufactured gas plant sites operated by Cascade's predecessors.

The first claim is for soil and groundwater contamination at a site in Oregon and was received in 1995. There are potentially responsible parties in addition to Cascade that are potentially liable for cleanup of the contamination. Some of these other parties have shared in the investigation costs. It is expected that these and other potentially responsible parties will share in the cleanup costs. Several alternatives for cleanup have been identified, with preliminary cost estimates ranging from approximately \$500,000 to \$11.0 million. It is not known at this time what share of the cleanup costs will actually be borne by Cascade. In November 2007, the Oregon Department of Environmental Quality provided notice that additional ecological risk assessment of the site was necessary. Completion of the assessment is anticipated by the end of 2008.

The second claim is for contamination at a site in Washington and was received in 1997. Although a preliminary investigation has concluded the site is contaminated, it appears that other property owners may have contributed to the contamination. There is currently not enough information available to estimate the potential liability associated with this claim and no formal investigation plan has been communicated to Cascade.

The Company believes that both these claims are covered by insurance. To the extent not covered by insurance, Cascade will seek recovery of contamination remediation costs through its rates.

**Operating leases**

The Company leases certain equipment, facilities and land under operating lease agreements. The amounts of annual minimum lease payments due under these leases as of December 31, 2007, were \$20.3 million in 2008, \$16.0 million in 2009, \$13.7 million in 2010, \$10.3 million in 2011, \$8.4 million in 2012 and \$48.8 million thereafter. Rent expense was \$35.6 million, \$23.1 million and \$33.3 million for the years ended December 31, 2007, 2006 and 2005, respectively.

**Purchase commitments**

The Company has entered into various commitments, largely natural gas and coal supply, purchased power, natural gas transportation and construction materials supply contracts. These commitments range from one to 53 years. The commitments under these contracts as of December 31, 2007, were \$479.2 million in 2008, \$340.0 million in 2009, \$233.4 million in 2010, \$163.7 million in 2011, \$105.6 million in 2012 and \$323.1 million thereafter. Amounts purchased under various commitments for the years ended December 31, 2007, 2006 and 2005, were approximately \$857.0 million (including the acquisition of Cascade as discussed in Note 2), \$265.8 million and \$318.1 million, respectively. These commitments are not reflected in the Company's consolidated financial statements.

**Guarantees**

In connection with the sale of MPX in June 2005 to Petrobras, an indirect wholly owned subsidiary of the Company has agreed to indemnify Petrobras for 49 percent of any losses which Petrobras may incur from certain contingent liabilities specified in the purchase agreement. Centennial has agreed to unconditionally guarantee payment of the indemnity obligations to Petrobras for periods ranging up to five and a half years from the date of sale. The guarantee was required by Petrobras as a condition to closing the sale of MPX.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Centennial continues to guarantee CEM's obligations under a construction contract for a 550-MW combined-cycle electric generating facility near Hobbs, New Mexico. As described in Note 3, Centennial Resources sold CEM in July 2007 to Bicent Power LLC, which has provided a \$10 million bank letter of credit to Centennial in support of that guarantee obligation. The guarantee, which has no fixed maximum, expires when CEM has completed its obligations under the construction contract. Construction is expected to be completed in 2008, and the warranty period associated with this project will expire one year after the date of substantial completion of the construction.

In addition, WBI Holdings has guaranteed certain of Fidelity's natural gas and oil price swap and collar agreement obligations. There is no fixed maximum amount guaranteed in relation to the natural gas and oil price swap and collar agreements, as the amount of the obligation is dependent upon natural gas and oil commodity prices. The amount of hedging activity entered into by the subsidiary is limited by corporate policy. The guarantees of the natural gas and oil price swap and collar agreements at December 31, 2007, expire in 2008; however, Fidelity continues to enter into additional hedging activities and, as a result, WBI Holdings from time to time may issue additional guarantees on these hedging obligations. The amount outstanding by Fidelity was \$1.4 million and was reflected on the Consolidated Balance Sheet at December 31, 2007. In the event Fidelity defaults under its obligations, WBI Holdings would be required to make payments under its guarantees.

Certain subsidiaries of the Company have outstanding guarantees to third parties that guarantee the performance of other subsidiaries of the Company. These guarantees are related to construction contracts, natural gas transportation and sales agreements, gathering contracts, a conditional purchase agreement and certain other guarantees. At December 31, 2007, the fixed maximum amounts guaranteed under these agreements aggregated \$472.9 million. The amounts of scheduled expiration of the maximum amounts guaranteed under these agreements aggregate \$86.3 million in 2008; \$355.8 million in 2009; \$400,000 in 2010; \$23.0 million in 2011; \$1.2 million in 2012; \$1.2 million in 2017; \$1.0 million which is subject to expiration 30 days after the receipt of written notice; and \$4.0 million, which has no scheduled maturity date. The amount outstanding by subsidiaries of the Company under the above guarantees was \$1.9 million and was reflected on the Consolidated Balance Sheet at December 31, 2007. In the event of default under these guarantee obligations, the subsidiary issuing the guarantee for that particular obligation would be required to make payments under its guarantee.

Certain subsidiaries have outstanding letters of credit to third parties related to insurance policies, natural gas transportation agreements and other agreements that guarantee the performance of other subsidiaries of the Company. At December 31, 2007, the fixed maximum amounts guaranteed under these letters of credit, which expire in 2008, aggregated \$58.4 million. There were no amounts outstanding under the above letters of credit at December 31, 2007.

Fidelity and WBI Holdings have outstanding guarantees to Williston Basin. These guarantees are related to natural gas transportation and storage agreements that guarantee the performance of Prairielands. At December 31, 2007, the fixed maximum amounts guaranteed under these agreements aggregated \$22.9 million. Scheduled expiration of the maximum amounts guaranteed under these agreements aggregate \$2.9 million in 2008 and \$20.0 million in 2009. In the event of Prairielands' default in its payment obligations, the subsidiary issuing the guarantee for that particular obligation would be required to make payments under its guarantee. The amount outstanding by Prairielands under the above guarantees was \$1.9 million, which was not reflected on the Consolidated Balance Sheet at December 31, 2007, because these intercompany transactions are eliminated in consolidation.

In addition, Centennial and Knife River have issued guarantees to third parties related to the Company's routine purchase of maintenance items, materials and lease obligations for which no fixed maximum amounts have been specified. These guarantees have no scheduled maturity date. In the event a subsidiary of the Company defaults under its obligation in relation to the purchase of certain maintenance items or lease obligations, Centennial or

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Knife River would be required to make payments under these guarantees. Any amounts outstanding by subsidiaries of the Company for these maintenance items and materials were reflected on the Consolidated Balance Sheet at December 31, 2007.

In the normal course of business, Centennial has purchased surety bonds related to construction contracts and reclamation obligations of its subsidiaries. In the event a subsidiary of Centennial does not fulfill a bonded obligation, Centennial would be responsible to the surety bond company for completion of the bonded contract or obligation. A large portion of the surety bonds is expected to expire within the next 12 months; however, Centennial will likely continue to enter into surety bonds for its subsidiaries in the future. As of December 31, 2007, approximately \$455 million of surety bonds were outstanding, which were not reflected on the Consolidated Balance Sheet.

**NOTE 21 - SUBSEQUENT EVENT**

On January 31, 2008, Fidelity completed the acquisition of natural gas properties located in Rusk County in eastern Texas, with a January 1, 2008, effective date. The acquisition includes the purchase of 97 Bcfe of proven reserves. The purchase price for these properties was approximately \$235 million, subject to accounting and purchase price adjustments customary with acquisitions of this type.

**NOTE 22 - Investment in Subsidiaries**

The Respondent owns two wholly owned subsidiary, Centennial Energy Holdings, Inc. and MDU Energy Capital, LLC.

The financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As required by the Federal Energy Regulatory Commission for Form 1 report purposes, MDU Resources Group, Inc. reports its subsidiary investment using the equity method rather than consolidating the assets, liabilities, revenues and expenses of the subsidiary, as required by generally accepted accounting principles. If generally accepted accounting principles were followed, utility plant, other property and investments would increase by \$961,796,721; current and accrued assets would increase by \$1,072,188,116; deferred debits would increase by \$495,233,727; long-term debt would increase by \$934,483,774; other noncurrent liabilities and current and accrued liabilities would increase by \$663,927,492; deferred credits would increase by \$930,807,298 as of December 31, 2007. Furthermore, operating revenues would increase by \$3,768,184,669 and operating expenses, excluding income taxes, would increase by \$3,250,672,473 for the twelve months ended December 31, 2007. In addition, net cash provided by operating activities would increase by \$498,382,000; net cash used by investing activities would increase by \$296,445,000; net cash used in financing activities would increase by \$154,272,000; and the net change in cash and cash equivalents would be an increase of \$47,665,000 for the twelve months ended December 31, 2007. Reporting its subsidiary investment using the equity method rather than generally accepted accounting principles has no effect on net income or retained earnings.

**BLANK PAGE**

**(Next Page is 122a)**

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES**

- Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
- Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
- For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year	( 6,654,318)			( 27,161,813)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value	( 4,458,361)			31,792,092
4	Total (lines 2 and 3)	( 4,458,361)			31,792,092
5	Balance of Account 219 at End of Preceding Quarter/Year	( 11,112,679)			4,630,279
6	Balance of Account 219 at Beginning of Current Year	( 11,112,679)			4,630,279
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	225,611			
8	Current Quarter/Year to Date Changes in Fair Value	( 1,038,472)			( 2,097,912)
9	Total (lines 7 and 8)	( 812,861)			( 2,097,912)
10	Balance of Account 219 at End of Current Quarter/Year	( 11,925,540)			2,532,367



Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	1,004,646,797	674,247,658
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	1,004,646,797	674,247,658
9	Leased to Others	25,773	
10	Held for Future Use		
11	Construction Work in Progress	69,763,782	54,075,641
12	Acquisition Adjustments	10,484,908	10,387,642
13	Total Utility Plant (8 thru 12)	1,084,921,260	738,710,941
14	Accum Prov for Depr, Amort, & Depl	598,947,512	402,090,382
15	Net Utility Plant (13 less 14)	485,973,748	336,620,559
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	571,191,639	388,933,401
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	18,870,704	4,336,644
22	Total In Service (18 thru 21)	590,062,343	393,270,045
23	Leased to Others		
24	Depreciation	23,718	
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)	23,718	
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj	8,861,451	8,820,337
33	Total Accum Prov (equals 14) (22,26,30,31,32)	598,947,512	402,090,382

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
261,025,044				69,374,095	3
					4
					5
					6
					7
261,025,044				69,374,095	8
25,773					9
					10
9,441,802				6,246,339	11
97,266					12
270,589,885				75,620,434	13
161,676,737				35,180,393	14
108,913,148				40,440,041	15
					16
					17
160,724,946				21,533,292	18
					19
					20
886,959				13,647,101	21
161,611,905				35,180,393	22
					23
23,718					24
					25
23,718					26
					27
					28
					29
					30
					31
41,114					32
161,676,737				35,180,393	33

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)**

- Report below the original cost of electric plant in service according to the prescribed accounts.
- In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant	5,163,889	349,769
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	5,163,889	349,769
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	1,020,080	
9	(311) Structures and Improvements	46,739,134	1,875,300
10	(312) Boiler Plant Equipment	155,141,630	5,993,883
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units	43,109,884	1,775,713
13	(315) Accessory Electric Equipment	13,602,851	25,974
14	(316) Misc. Power Plant Equipment	14,863,312	651,428
15	(317) Asset Retirement Costs for Steam Production	282,876	
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	274,759,767	10,322,298
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights	66,315	
38	(341) Structures and Improvements	452,964	
39	(342) Fuel Holders, Products, and Accessories	398,801	211,244
40	(343) Prime Movers		
41	(344) Generators	27,687,150	3,985,603
42	(345) Accessory Electric Equipment	799,381	85,770
43	(346) Misc. Power Plant Equipment	48,363	1,051
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	29,452,974	4,283,668
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	304,212,741	14,605,966



Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)**

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	<b>3. TRANSMISSION PLANT</b>		
48	(350) Land and Land Rights	3,494,758	71,304
49	(352) Structures and Improvements	1,789	
50	(353) Station Equipment	60,197,011	7,632,374
51	(354) Towers and Fixtures	4,467,810	
52	(355) Poles and Fixtures	31,451,607	836,331
53	(356) Overhead Conductors and Devices	27,166,430	443,836
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices		
56	(359) Roads and Trails		
57	(359.1) Asset Retirement Costs for Transmission Plant	797	
58	<b>TOTAL Transmission Plant (Enter Total of lines 48 thru 57)</b>	<b>126,780,202</b>	<b>8,983,845</b>
59	<b>4. DISTRIBUTION PLANT</b>		
60	(360) Land and Land Rights	1,401,356	73,036
61	(361) Structures and Improvements		
62	(362) Station Equipment	28,387,623	2,939,768
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	23,975,058	737,551
65	(365) Overhead Conductors and Devices	16,508,655	515,077
66	(366) Underground Conduit	218,143	
67	(367) Underground Conductors and Devices	39,219,926	4,234,710
68	(368) Line Transformers	35,448,116	3,866,378
69	(369) Services	18,750,264	875,354
70	(370) Meters	11,043,885	4,786,462
71	(371) Installations on Customer Premises	2,001,769	119,197
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems	5,840,621	108,163
74	(374) Asset Retirement Costs for Distribution Plant	39,748	
75	<b>TOTAL Distribution Plant (Enter Total of lines 60 thru 74)</b>	<b>182,835,164</b>	<b>18,255,696</b>
76	<b>5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT</b>		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	<b>TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)</b>		
85	<b>6. GENERAL PLANT</b>		
86	(389) Land and Land Rights	8,137	
87	(390) Structures and Improvements	513,182	9,474
88	(391) Office Furniture and Equipment	963,042	14,878
89	(392) Transportation Equipment	4,780,183	611,633
90	(393) Stores Equipment	110,647	
91	(394) Tools, Shop and Garage Equipment	1,928,832	86,604
92	(395) Laboratory Equipment	1,136,772	5,087
93	(396) Power Operated Equipment	7,464,874	641,707
94	(397) Communication Equipment	1,832,585	95,325
95	(398) Miscellaneous Equipment	64,929	
96	<b>SUBTOTAL (Enter Total of lines 86 thru 95)</b>	<b>18,803,183</b>	<b>1,464,708</b>
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant		
99	<b>TOTAL General Plant (Enter Total of lines 96, 97 and 98)</b>	<b>18,803,183</b>	<b>1,464,708</b>
100	<b>TOTAL (Accounts 101 and 106)</b>	<b>637,795,179</b>	<b>43,659,984</b>
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	<b>TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)</b>	<b>637,795,179</b>	<b>43,659,984</b>

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				47
		-433,022	3,133,040	48
			1,789	49
155,608		-1,475,392	66,198,385	50
		-19,578	4,448,232	51
33,583		-2,059,781	30,194,574	52
		-1,784,340	25,825,926	53
				54
				55
			797	56
189,191		-5,772,113	129,802,743	57
				58
		433,238	1,907,630	59
				60
9,791		1,475,392	32,792,992	61
				62
94,216		2,079,064	26,697,457	63
65,550		1,784,477	18,742,659	64
			218,143	65
196,915		232	43,257,953	66
119,350			39,195,144	67
69,041		-74	19,556,503	68
2,905,248			12,925,099	69
34,764			2,086,202	70
				71
				72
33,042			5,915,742	73
			39,748	74
3,527,917		5,772,329	203,335,272	75
				76
				77
				78
				79
				80
				81
				82
				83
				84
				85
			8,137	86
4,054			518,602	87
1,625			976,295	88
568,265		39,274	4,862,825	89
2,538			108,109	90
71,906		941	1,944,471	91
			1,141,859	92
231,734		5,291	7,880,138	93
52,896			1,875,014	94
			64,929	95
933,018		45,506	19,380,379	96
				97
				98
933,018		45,506	19,380,379	99
7,187,481		-20,024	674,247,658	100
				101
				102
				103
7,187,481		-20,024	674,247,658	104

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)**

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Construct Diamond Willow wind farm near Baker, MT	29,489,564
2	Construct Big Stone II power plant near Milbank, SD	11,403,624
3	Replace transmission lines crossing Memorial Bridge in Bismarck, ND	2,637,927
4	Install automated meter reading system electric meters throughout entire service area	1,155,915
5	Replace turbine components at Coyote Station near Beulah, ND	745,791
6	Purchase spare main generator step-up transformer at Coyote Station near Beulah, ND	694,451
7	Purchase two digger derricks in Bismarck, ND	440,333
8	Convert transmission lines from 12KV to 41.6KV near Fullerton, ND	439,654
9	Install mercury monitoring system at Lewis & Clark Station near Sidney, MT	329,631
10	Install bed ash and limestone handling equipment at Heskett Station in Mandan, ND	215,836
11	Replace cooling water exchanger at Heskett Station in Mandan, ND	192,342
12	Replace sootblowers at Heskett Station in Mandan, ND	176,758
13	Purchase crane truck in Bismarck, ND	155,892
14	Replace circulating water pump at Big Stone I power plant near Milbank, SD	146,816
15	Upgrade honeywell control system at Heskett Station in Mandan, ND	146,742
16	Replace boiler reheat tubes at Coyote Station near Beulah, ND	143,159
17	Replace precipitator wires at Heskett Station in Mandan, ND	141,605
18	Purchase bucket truck in Lemmon, SD	138,136
19	Install fuel oil spill containment at combustion turbines near Glendive, MT	132,126
20	Install 115KV circuit breaker at transmission substation near Tioga, ND	130,433
21	Purchase 50' manlift in Sheridan, WY	118,736
22	Install lightning arrestors on transmission line from Mandan, ND to Center, ND	117,872
23		
24	Minor projects less than \$100,000:	
25		
26	Steam Production	833,151
27		
28	Other Production	161,985
29		
30	Transmission	844,941
31		
32	Distribution	2,475,832
33		
34	General	337,312
35		
36	Intangible	129,077
37		
38		
39		
40		
41		
42		
43	TOTAL	54,075,641

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)**

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

**Section A. Balances and Changes During Year**

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	377,570,238	377,570,238		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	20,509,629	20,509,629		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	941,984	941,984		
7	Other Clearing Accounts	-168,451	-168,451		
8	Other Accounts (Specify, details in footnote):	-1,434,931	-1,434,931		
9		7,168	7,168		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	19,855,399	19,855,399		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	7,186,303	7,186,303		
13	Cost of Removal	1,722,909	1,722,909		
14	Salvage (Credit)	473,623	473,623		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	8,435,589	8,435,589		
16	Other Debit or Cr. Items (Describe, details in footnote):	-56,647	-56,647		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	388,933,401	388,933,401		

**Section B. Balances at End of Year According to Functional Classification**

20	Steam Production	188,396,899	188,396,899		
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	10,682,663	10,682,663		
25	Transmission	76,461,290	76,461,290		
26	Distribution	104,446,621	104,446,621		
27	Regional Transmission and Market Operation				
28	General	8,945,928	8,945,928		
29	TOTAL (Enter Total of lines 20 thru 28)	388,933,401	388,933,401		

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

**Schedule Page: 219 Line No.: 7 Column: c**

Amortization of deferred depreciation, AFUDC and interest on portion of Coyote Station previously excluded from Montana rate base after in service date.

**Schedule Page: 219 Line No.: 8 Column: c**

Common plant depreciation expense charged to electric operations.

**Schedule Page: 219 Line No.: 9 Column: c**

SFAS 143 ARO depreciation expense reclassified to a regulatory asset.

**Schedule Page: 219 Line No.: 16 Column: c**

Reserve reclassifications between utility segments and net gains and losses on depreciable plant.

**BLANK PAGE**

**(Next Page is 224)**

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)**

- Report below investments in Accounts 123.1, investments in Subsidiary Companies.
- Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
  - Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
  - Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
- Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1				
2	CENTENNIAL ENERGY HOLDINGS, INC. (100% OWNED)	12/88		
3	Book cost			60,814,000
4				
5	Capital investment in subsidiaries			838,865,010
6				
7	Equity in undistributed subsidiary earnings since acquisition			1,051,023,038
8				
9				
10	MDU ENERGY CAPITAL, LLC (100% OWNED)	07/07		
11	Book cost			
12				
13	Capital investment in subsidiaries			
14				
15	Equity in undistributed subsidiary earnings since acquisition			
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42	Total Cost of Account 123.1 \$	2,284,551,173	TOTAL	1,950,702,048

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)**

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
				2
		60,813,000		3
				4
		863,320,478	91,521,701	5
				6
399,691,541	89,847,000	1,130,915,920		7
				8
				9
				10
		230,000,000		11
				12
		466,960		13
				14
5,766,422	6,728,000	-965,185		15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
				35
				36
				37
				38
				39
				40
				41
405,457,963	96,575,000	2,284,551,173	91,521,701	42

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

**Schedule Page: 224 Line No.: 5 Column: g**  
 Sale of IPP line of business (\$230,000,000)

**Schedule Page: 224 Line No.: 11 Column: g**  
 Acquisition of Cascade Natural Gas Corporation on July 2, 2007.

**BLANK PAGE**

**(Next Page is 227)**

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**MATERIALS AND SUPPLIES**

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.

2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	4,006,441	4,055,099	Electric & Gas
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	5,187,090	6,396,615	Electric & Gas
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	1,897,091	2,052,680	Electric
8	Transmission Plant (Estimated)	53,790	54,957	Electric
9	Distribution Plant (Estimated)	679,008	703,665	Electric & Gas
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)	-83,635	-78,985	Electric & Gas
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	7,733,344	9,128,932	
13	Merchandise (Account 155)	1,445,448	1,470,096	
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)			
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	13,185,233	14,654,127	

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

**Schedule Page: 227 Line No.: 11 Column: b**

Allowance for inventory shrinkage - materials and supplies.

**Schedule Page: 227 Line No.: 11 Column: c**

Allowance for inventory shrinkage - materials and supplies.

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

Allowances (Accounts 158.1 and 158.2)

- Report below the particulars (details) called for concerning allowances.
- Report all acquisitions of allowances at cost.
- Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
- Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
- Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	Allowances Inventory (Account 158.1) (a)	Current Year		2008	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	25,374.00		11,804.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)				
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509	9,309.00			
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	16,065.00		11,804.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year	168.00		169.00	
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales	168.00			
40	Balance-End of Year			169.00	
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)	168.00	74,800		
45	Gains	168.00	74,800		
46	Losses				

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferrors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2009		2010		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
11,804.00		11,607.00		290,175.00		350,764.00		1
								2
								3
				34,821.00		34,821.00		4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
						9,309.00		18
								19
								20
								21
								22
								23
								24
								25
								26
								27
11,804.00		11,607.00		324,996.00		376,276.00		28
								29
								30
								31
								32
								33
								34
								35
168.00		168.00		7,871.00		8,544.00		36
								37
								38
				168.00		336.00		39
168.00		168.00		7,703.00		8,208.00		40
								41
								42
								43
				168.00	32,499	336.00	107,299	44
				168.00	32,499	336.00	107,299	45
								46

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**OTHER REGULATORY ASSETS (Account 182.3)**

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets  (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Deferred SFAS No. 106 Costs; Montana gas	398,076		G-926	54,531	343,545
2	amortization over 240 months beginning					
3	11/94 and South Dakota gas amortization					
4	over 216 months beginning 1/95					
5						
6	Unamortized AFUDC on portion of Coyote I Station	1,300,509		E-403	132,255	1,168,254
7	that had been disallowed in rate base by Montana;					
8	amortization of 12/83 balance over 388 months end-					
9	ing 10/16 and amortization of 6/84 balance over					
10	356 months					
11						
12	Deferred depreciation on portion of Coyote I	302,752		E-403	30,788	271,964
13	Station that had been disallowed in rate base by					
14	Montana; amortization of 12/83 balance over 388					
15	months ending 10/16 and amortization of 6/84					
16	balance over 356 months					
17						
18	Interest deferred on portion of Coyote I Station	53,180		E-403	5,408	47,772
19	AFUDC which had been disallowed in rate base by					
20	Montana; amortization of interest on 6/84 AFUDC					
21	balance over 356 months					
22						
23	Unamortized Regulatory Commission Expense;	464,034	604,166		330,642	737,558
24	North Dakota gas amortization					
25	over 48 months beginning 12/02, Wyoming gas					
26	amortization over 84 months beginning 1/03;					
27	North Dakota electric amortization over 36 months					
28	beginning 1/04; Minnesota gas amortization over					
29	36 months beginning 1/07; South Dakota					
30	gas amortization over 60 months beginning					
31	12/04; South Dakota gas amortization over 36					
32	months beginning 9/05					
33						
34	Accumulated costs associated with Electric rate	726,302	335,203		599,451	462,054
35	case pending in Montana					
36						
37						
38	Asset Retirement Obligation at Coyote I	2,286,792	481,662	G-230	755,262	2,013,192
39	Station, Big Stone Station, Heskett Station,					
40	Lewis and Clark Station, electric transmission,					
41	electric and gas distribution, and common general					
42	plant					
43						
44	<b>TOTAL</b>	<b>25,546,923</b>	<b>7,749,158</b>		<b>12,821,832</b>	<b>20,474,249</b>

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**OTHER REGULATORY ASSETS (Account 182.3)**

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets  (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Margin Sharing Adjustment - North Dakota	451,340	3,639,611	E-142	1,071,318	3,019,633
2	Electric					
3						
4	Deferred fuel and purchased power costs -					
5	North Dakota - Electric	886,988	658,437			1,545,425
6	Wyoming - Electric				502,303	-502,303
7						
8	FAS 158- Pension	18,676,950			9,139,874	9,537,076
9						
10	Manufactured Gas Plant Site - Bismarck, ND		1,250,221	G-183	200,000	1,050,221
11						
12	Regulatory Matters - FAS 109		779,858			779,858
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	<b>TOTAL</b>	25,546,923	7,749,158		12,821,832	20,474,249

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

**Schedule Page: 232 Line No.: 23 Column: d**

E-928 \$ 8,749  
G-928 321,893

**Schedule Page: 232 Line No.: 34 Column: d**

E-928 \$ 21,257  
G-928 578,194

**Schedule Page: 232.1 Line No.: 6 Column: d**

555 \$ 489,360  
431 12,943

**Schedule Page: 232.1 Line No.: 8 Column: d**

253 \$3,036,294  
186 6,103,580

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**MISCELLANEOUS DEFFERED DEBITS (Account 186)**

- Report below the particulars (details) called for concerning miscellaneous deferred debits.
- For any deferred debit being amortized, show period of amortization in column (a)
- Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Natural gas minimum bill	5,342,863				5,342,863
2	obligation					
3						
4	Deferred pension expense	4,367,615	6,103,580	184	271,680	10,199,515
5						
6	Deferred capital stock expense	373,029	5,000			378,029
7						
8	Unamortized lease improvements,	10,440		G-931	2,665	7,775
9	amortized beginning 12/90 and					
10	ending 11/10					
11						
12	Montana Universal Systems					
13	Benefit Program	-348,823	1,221,755	142	1,319,705	-446,773
14						
15	Conservation Improvement					
16	Program	418,575	426,330		403,938	440,967
17						
18	Future Source					
19	Capital Corporation	273,392		131	10,988	262,404
20						
21	Goodwill- Great Plains Natural		9,170,341	282	4,358,097	4,812,244
22	Gas Co.					
23						
24	Other	8,615,089	1,320,093	228	53,497	9,881,685
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	<b>TOTAL</b>	<b>19,052,180</b>				<b>30,878,709</b>

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
	(2) <input type="checkbox"/> A Resubmission	12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 233 Line No.: 16 Column: d**

142	\$400,530
143	1,846
165	400
184	6
242	1,073
419	83

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**ACCUMULATED DEFERRED INCOME TAXES (Account 190)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	Pension Expense	234,141	2,251,753
3	Management Incentive	797,112	912,670
4	Customer Advances	437,452	591,740
5	Restricted Stock Bonus Plan	626,561	852,283
6			
7	Other	22,050	20,300
8	TOTAL Electric (Enter Total of lines 2 thru 7)	2,117,316	4,628,746
9	Gas		
10	Pension Expense	477,147	2,956,626
11	Customer Advances	534,184	656,822
12	Restricted Stock Bonus Plan	525,102	709,039
13	Capitalized Overheads	939,303	836,120
14	Prepaid Demand Charge	-945,435	-1,062,919
15	Other	3,063,111	2,462,202
16	TOTAL Gas (Enter Total of lines 10 thru 15)	4,593,412	6,557,890
17	Other (Specify) *	27,557,816	26,465,042
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	34,268,544	37,651,678

**Notes**

	Balance at Beginning of Year	Balance at End of Year
<b>*Utility</b>		
Vacation Pay Accrual	\$ 2,520,738	\$ 2,533,349
Property Insurance	410,348	706,597
Sundry Reserves	58,364	91,613
Supplemental Income Security Plan	13,547,107	14,911,081
FAS 106 - Medical/Life	925,117	914,494
BOD Compensation & Benefits	2,323,540	2,562,351
FAS 158 - Post Retirement	0	22,516
Regulatory Matters	4,525,418	4,158,356
Total Utility	\$24,310,632	\$25,900,357
<b>Non-utility</b>		
Capitalized Overheads	216,031	105,621
C.I.A.C.'s	226,241	227,690
Contingency Reserve	2,576,168	0
Management Incentive	112,920	112,920
FAS 106 - Medical/Life	107,421	106,124
Other	8,403	12,330
Total Non-Utility	\$ 3,247,184	\$ 564,685
Total Other	\$27,557,816	\$26,465,042

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**CAPITAL STOCKS (Account 201 and 204)**

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series  (a)	Number of shares Authorized by Charter  (b)	Par or Stated Value per share  (c)	Call Price at End of Year  (d)
1	Account 201			
2	Common Stock	500,000,000	1.00	
3	Total Account 201	500,000,000		
4				
5	Account 204			
6	Preferred Stock	500,000	100.00	
7	4.50% Cumulative			105.00
8	4.70% Cumulative			102.00
9				
10	Total Account 204	500,000		
11				
12	Preferred Stock A - Cumulative	1,000,000		
13				
14	Preference Stock - Cumulative	500,000		
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
- Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
182,946,528	182,946,528					2
182,946,528	182,946,528					3
						4
						5
						6
100,000	10,000,000					7
50,000	5,000,000					8
						9
150,000	15,000,000					10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

**Schedule Page: 250 Line No.: 2 Column: a**

See footnote number 13 on pages 123.24

**Schedule Page: 250 Line No.: 7 Column: d**

Plus accrued dividends

**Schedule Page: 250 Line No.: 8 Column: d**

Plus accrued dividends

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**CAPITAL STOCK EXPENSE (Account 214)**

- Report the balance at end of the year of discount on capital stock for each class and series of capital stock.
- If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2	Common Stock, \$1.00 par value	3,412,569
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22	<b>TOTAL</b>	<b>3,412,569</b>

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

**Schedule Page: 254 Line No.: 2 Column: b**

Primarily stock expense related to the issuance of stock through public offering during February 2004.

**BLANK PAGE**

**(Next Page is 256)**

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Account 221 - First Mortgage Bonds:		
2			
3	Secured Medium-Term Notes, Series A:		
4	8.25%	30,000,000	396,750
5	8.60%	35,000,000	573,418
6			88,900 D
7	6.71%	15,000,000	155,914
8	5.83%	15,000,000	186,086
9			
10	Unsecured Senior Note		
11	6.33%	100,000,000	344,061
12			
13	Senior Notes		
14	5.98%	30,000,000	543,168
15			
16	SUBTOTAL	225,000,000	2,288,297
17			
18	Account 222 (None)		
19	Account 223 (None)		
20	Account 224		
21	5.1% Preferred Stock, Cumulative, subject to mandatory redemption	5,000,000	
22	Commercial Paper - 4.50% @ 12-31-07, 5.336% average for 2007		
23			
24			
25			
26	SUBTOTAL	5,000,000	
27			
28			
29			
30			
31			
32			
33	TOTAL	230,000,000	2,288,297

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
						3
040192	040107	040192	040107		134,063	4
040192	040112	040192	040112	4,500,000	387,000	5
						6
093097	100109	100197	100109	1,000,000	67,100	7
091898	100108	100198	100108	15,000,000	874,500	8
						9
						10
082406	082426	082406	082426	100,000,000	6,330,000	11
						12
						13
121503	121533	121503	121533	30,000,000	1,794,000	14
						15
				150,500,000	9,586,663	16
						17
						18
						19
						20
052361				800,000	45,900	21
				61,000,000	1,125,521	22
						23
						24
						25
				61,800,000	1,171,421	26
						27
						28
						29
						30
						31
						32
				212,300,000	10,758,084	33

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

**Schedule Page: 256 Line No.: 21 Column: e**

The Respondent is obligated to make annual sinking fund contributions to retire 1,000 shares of the 5.1% Series preferred stock at par ending 12/31/2014. The redemption price is \$102 plus accrued dividends.

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	432,120,349
2		
3		
4	Taxable Income Not Reported on Books	
5	Dividends Received from Subsidiary Companies	96,575,000
6	Customer Advances	738,600
7	Contributions in Aid of Construction	387,649
8	Miscellaneous	22,012
9	Deductions Recorded on Books Not Deducted for Return	
10	Book Depreciation and Amortization	32,201,939
11	Federal Income Tax Provision	9,840,747
12	Depreciation Expensed through clearing accounts	3,538,237
13	See footnote	12,341,125
14	Income Recorded on Books Not Included in Return	
15	Equity in Earnings of Subsidiaries	405,457,963
16	Reserved Revenue	1,567,886
17	Medicare Part D Subsidy	474,353
18		
19	Deductions on Return Not Charged Against Book Income	
20	Dividends Received From Subsidiaries	96,575,000
21	Tax Depreciation and Amortization	29,635,833
22	401 (k) Dividend Deduction	3,701,336
23	Margin Sharing Adjustment	2,568,293
24	State Income Taxes	2,388,771
25	Unrecovered Purchased Gas Cost	1,982,097
26	Miscellaneous	3,814,016
27	Federal Tax Net Income	39,600,110
28	Show Computation of Tax:	
29		
30	Federal tax @ 35% of line 27	13,860,038
31	Plus: Rounding and Out of Period Adjustments	-3,058,288
32		
33	<b>TOTAL 2007 FEDERAL INCOME TAX</b>	<b>10,801,750</b>
34		
35		
36	Response to instruction #2 - see footnote	
37		
38		
39		
40		
41		
42		
43		
44		

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 261 Line No.: 13 Column: b**

Deductions Recorded on Books Not Deducted on Return:

Pension Expense	\$3,341,184
Supplemental Income Security Plan	2,561,852
State Income Tax Provision	1,734,148
Restricted Stock Bonus Plan	1,055,823
Property Insurance Adjustment	763,523
Deferred Compensation - Directors	688,193
Amortization of Loss on Bond Retirements	626,768
Capitalized Interest	488,530
Management Incentive	485,142
Disallowed Meals and Entertainment Expense - 50%	253,038
Miscellaneous	342,924
Total carried to page 261	\$12,341,125

**Schedule Page: 261 Line No.: 26 Column: b**

Allowance for Funds used in Construction - Equity	\$1,230,086
Qualified Production Activity Deduction	815,000
Fuel and Purchased Power Deferral	658,437
Prepaid Demand Charges	300,533
Decrease in Capitalized Overheads	265,782
Dividend Paid Deduction	180,000
Miscellaneous	364,178
Total Carried to Page 261	\$3,814,016

**Schedule Page: 261 Line No.: 36 Column: a**

The Respondent files a consolidated return; however, the information above has been prepared on a separate return basis. The consolidated group elected to allocate tax liabilities in accordance with method #2 under Internal Revenue Code Section 1552 (Earnings and Profits). The 2007 federal tax provision was:

Centennial Energy Holdings, Inc.	\$95,310,604
----------------------------------	--------------

**BLANK PAGE**

**(Next Page is 262)**

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	<b>CORPORATE INCOME</b>					
2	Federal	7,166,431		10,801,750	5,053,287	-1,718,067
3	State	1,378,810		1,400,992	1,433,753	24,548
4	<b>SUBTOTAL</b>	8,545,241		12,202,742	6,487,040	-1,693,519
5						
6	<b>UNEMPLOYMENT</b>					
7	Federal	21,284		69,320	71,327	
8	Minnesota	926		13,633	13,703	
9	Montana	905		15,981	16,724	
10	Nevada	358		9,032	7,997	
11	North Dakota	-7,665		104,945	84,063	
12	South Dakota			41		
13	Wyoming	496		4,402	3,775	
14	<b>SUBTOTAL</b>	16,304		217,354	197,589	
15						
16	<b>GROSS REVENUE</b>					
17	Montana	79,316		333,357	309,250	
18	South Dakota			118,483	118,483	
19	Wyoming	45,477		92,344	91,649	
20	<b>SUBTOTAL</b>	124,793		544,184	519,382	
21						
22	<b>USE</b>					
23	Minnesota	1,813		26,920	26,360	
24	North Dakota	44,025		628,450	623,685	
25	South Dakota	9,049		60,200	66,553	
26	Wyoming	5,374		57,636	60,140	
27	Iowa			19,225	18,303	
28	Nebraska			18,665	18,141	
29	<b>SUBTOTAL</b>	60,261		811,096	813,182	
30						
31	<b>PROPERTY</b>					
32	Minnesota	315,000		305,420	315,420	
33	Montana	1,975,924		4,056,788	4,004,844	
34	North Dakota	2,346,084		2,184,500	2,346,878	
35	North Dakota - Wahpeton	18,066		16,724	18,066	
36	South Dakota	1,067,734		945,894	1,067,754	
37	Wyoming	61,538		90,151	106,614	
38	<b>SUBTOTAL</b>	5,784,346		7,599,477	7,859,576	
39						
40						
41	<b>TOTAL</b>	15,637,578		28,909,295	23,470,570	-1,693,519

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
11,196,827		7,999,500			2,802,250	2
1,370,597		985,053			415,939	3
12,567,424		8,984,553			3,218,189	4
						5
						6
19,277		20,664			48,656	7
856					13,633	8
162		5,311			10,670	9
1,393					9,666	10
13,217		26,418			78,527	11
41					41	12
1,123		965			3,437	13
36,069		53,358			164,630	14
						15
						16
103,423		117,635			215,722	17
		16,812			101,671	18
46,172		44,134			48,210	19
149,595		178,581			365,603	20
						21
						22
2,373					26,920	23
48,790					628,450	24
2,696					60,200	25
2,870					57,636	26
922					19,225	27
524					18,665	28
58,175					811,096	29
						30
						31
305,000					305,420	32
2,027,868		2,349,879			1,706,909	33
2,183,706		1,517,748			666,752	34
16,724					16,724	35
945,874		536,834			409,060	36
45,075		62,916			27,235	37
5,524,247		4,467,377			3,132,100	38
						39
						40
19,382,784		16,864,481			12,045,448	41

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	FRANCHISE					
2	Delaware	33,025		165,025	165,025	
3	Wyoming	183,236		212,666	295,905	
4	Hettinger, ND	2,549		19,076	18,242	
5	SUBTOTAL	218,810		396,767	479,172	
6						
7						
8						
9	MISCELLANEOUS					
10	Federal-FICA	621,603		5,966,925	5,946,151	
11	Federal-Highway Use			1,984	1,984	
12	Montana WET Tax	24,409		102,353	101,705	
13	Montana-Electric License	15,880		65,958	63,477	
14	ND-Coal Conversion	39,236		990,185	991,181	
15	Secretaries of State			2,868	2,868	
16	(annual filing fees)					
17	Hettinger inspection fee					
18	Fort Peck Tribal	184,000				
19	Crow Agency Tribal	2,291		4,736	4,659	
20	Federal CNG Tax	56		61	74	
21	Montana CNG Tax	373		739	661	
22	North Dakota CNG Tax	-25		1,866	1,869	
23	South Dakota CNG Tax					
24	SUBTOTAL	887,823		7,137,675	7,114,629	
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	15,637,578		28,909,295	23,470,570	-1,693,519

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
33,025		90,929			74,096	2
99,997		124,081			88,585	3
3,383					19,076	4
136,405		215,010			181,757	5
						6
						7
						8
						9
642,377		1,804,119			4,162,806	10
		1,407			577	11
25,057		102,353				12
18,361		65,958				13
38,240		990,185				14
		1,580			1,288	15
						16
						17
184,000						18
2,368					4,736	19
43					61	20
451					739	21
-28					1,866	22
						23
910,869		2,965,602			4,172,073	24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
19,382,784		16,864,481			12,045,448	41

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 262 Line No.: 3 Column: a**  
Minnesota, Montana and North Dakota state income taxes.

**Schedule Page: 262 Line No.: 6 Column: a**  
Allocated between electric and gas operations on the basis of payroll charges. The amounts charged to other include allocation of payroll taxes to various electric and gas construction, clearing or expense accounts based on a company-wide derived payroll loading factor.

**Schedule Page: 262 Line No.: 16 Column: a**  
Allocated on a gross revenue ratio by state.

**Schedule Page: 262 Line No.: 22 Column: a**  
Charged directly to various inventory and construction accounts.

**Schedule Page: 262 Line No.: 31 Column: a**  
Allocated based on specific identification.

**Schedule Page: 262.1 Line No.: 2 Column: a**  
Allocated on a corporate overhead ratio basis.

**Schedule Page: 262.1 Line No.: 3 Column: a**  
Allocated based on specific identification.

**Schedule Page: 262.1 Line No.: 4 Column: a**  
Allocated based on specific identification.

**Schedule Page: 262.1 Line No.: 10 Column: a**  
Allocated between electric and gas operations on the basis of payroll charges. The amounts charged to other include allocation of payroll taxes to various electric and gas construction, clearing or expense accounts based on a company-wide derived payroll loading factor.

**Schedule Page: 262.1 Line No.: 11 Column: a**  
Allocated on a corporate overhead ratio basis.

**Schedule Page: 262.1 Line No.: 15 Column: a**  
Allocated on a corporate overhead ratio basis.

**BLANK PAGE**

**(Next Page is 266)**

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)**

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	526,022			420	207,266	
6	8%	237,261			420	95,107	
7							
8	TOTAL	763,283				302,373	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10	GAS UTILITY						
11	4%						
12	10%	89,805			420	23,142	
13	8%	111,694			420	30,217	
14	SUBTOTAL	201,499				53,359	
15							
16	COMMON UTILITY						
17	4%						
18	10%	479					
19	8%						
20	SUBTOTAL	479					
21							
22							
23							
24	TOTAL OTHER UTILITY	201,978				53,359	
25							
26							
27							
28							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							

**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)**

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
			3
			4
318,756	20 YEARS		5
142,154			6
			7
460,910			8
			9
			10
			11
66,663	20 YEARS		12
81,477			13
148,140			14
			15
			16
			17
479	20 YEARS		18
			19
479			20
			21
			22
			23
148,619			24
			25
			26
			27
			28
			30
			31
			32
			33
			34
			35
			36
			37
			38
			39
			40
			41
			42
			43
			44
			45
			46
			47
			48

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**OTHER DEFERRED CREDITS (Account 253)**

- Report below the particulars (details) called for concerning other deferred credits.
- For any deferred credit being amortized, show the period of amortization.
- Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Accrued pension expense	25,997,855		4,904,174	3,452,746	24,546,427
2						
3	Accrued pension and deferred					
4	benefit compensation plans	10,007,041		1,733,693	2,637,477	10,910,825
5						
6	Reserve for natural gas					
7	minimum bill obligation	5,342,863				5,342,863
8						
9	Other	6,096,028	417	381,562		5,714,466
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	<b>TOTAL</b>	47,443,787		7,019,429	6,090,223	46,514,581

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 269 Line No.: 1 Column: c**

182 \$3,036,294  
131 1,188,690  
186 608,810  
219 70,380

**Schedule Page: 269 Line No.: 4 Column: c**

242 \$1,051,094  
131 682,599

Name of Respondent MDU Resources Group, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
ACCUMULATED DEFFERED INCOME TAXES - OTHER PROPERTY (Account 282)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account  (a)	Balance at Beginning of Year  (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1  (c)	Amounts Credited to Account 411.1  (d)	
1	Account 282				
2	Electric	50,075,527	14,784,422	15,043,811	
3	Gas	14,002,569	4,447,328	5,496,214	
4	Utility	1,275,322	2,108,502	1,824,307	
5	TOTAL (Enter Total of lines 2 thru 4)	65,353,418	21,340,252	22,364,332	
6	Non-Utility	241,172			
7					
8					
9	TOTAL Account 282 (Enter Total of lines 5 thru 6)	65,594,590	21,340,252	22,364,332	
10	Classification of TOTAL				
11	Federal Income Tax	59,316,752	18,974,905	20,243,204	
12	State Income Tax	6,277,838	2,365,347	2,121,128	
13	Local Income Tax				

NOTES

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
						49,816,138	2
		186	4,358,097			8,595,586	3
		254	309,942		1,140,230	2,389,805	4
			4,668,039		1,140,230	60,801,529	5
130,077						371,249	6
							7
							8
130,077			4,668,039		1,140,230	61,172,778	9
							10
117,337			4,465,294		1,093,487	54,793,983	11
12,740			202,745		46,743	6,378,795	12
							13

NOTES (Continued)

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 274 Line No.: 3 Column: h**

Reclassified accumulated deferred income taxes associated with an acquisition adjustment to goodwill; account 186, misc. deferred debits

**Schedule Page: 274 Line No.: 4 Column: a**

Utility definition includes Common Plant and Regulatory Matters.

**Schedule Page: 274 Line No.: 4 Column: b**

Common Plant	\$7,365,577
Regulatory Matters	(6,090,255)
Total Utility	<u>\$1,275,322</u>

**Schedule Page: 274 Line No.: 4 Column: c**

Comon Plant	\$2,108,502
-------------	-------------

**Schedule Page: 274 Line No.: 4 Column: d**

Common Plant	\$1,824,307
--------------	-------------

**Schedule Page: 274 Line No.: 4 Column: h**

Regulatory Matters-254	\$ 309,942
------------------------	------------

**Schedule Page: 274 Line No.: 4 Column: j**

Regulatory Matters - 254	\$662,957
Regulatory Matters - 182	477,273

**Schedule Page: 274 Line No.: 4 Column: k**

Common Plant	\$7,649,772
Regulatory Matters - 254	(5,737,240)
Regulatory Matters - 182	<u>477,273</u>

Total Utility	2,389,805
---------------	-----------

**BLANK PAGE**

**(Next Page is 276)**

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Fuel & Purch. Power Deferral	350,804	1,123,781	865,476
4	Margin Sharing Adjustment	178,505	1,014,654	7,112
5	Rate Case	60,879	132,071	10,872
6				
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)	590,188	2,270,506	883,460
10	Gas			
11	Unrecovered Purch. Gas Costs	2,617,803	819,417	1,903,522
12	Rate Case	379,904	43,699	129,355
13	Def. Postretirement Benefit	152,657		20,787
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)	3,150,364	863,116	2,053,664
18	Other	4,314,614	7,246,656	3,789,456
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	8,055,166	10,380,278	6,726,580
20	Classification of TOTAL			
21	Federal Income Tax	7,266,258	9,355,563	6,053,315
22	State Income Tax	788,908	1,024,715	673,265
23	Local Income Tax			

NOTES

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.  
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
						609,109	1
							2
						609,109	3
						1,186,047	4
						182,078	5
							6
							7
							8
						1,977,234	9
							10
						1,533,698	11
						294,248	12
						131,870	13
							14
							15
							16
						1,959,816	17
444,867	37,476		451,734		309,320	8,036,791	18
444,867	37,476		451,734		309,320	11,973,841	19
							20
396,849	33,756		396,849		272,950	10,807,700	21
48,018	3,720		54,885		36,370	1,166,141	22
							23

NOTES (Continued)

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 276 Line No.: 18 Column: b**

UTILITY	
Bond Redemption Costs	\$4,357,853
Regulatory Matters-254	(62,460)
Total Utility	\$4,295,393
NON-UTILITY	
Partnership Ordinary Loss	\$ 19,221
TOTAL OTHER	\$4,314,614

**Schedule Page: 276 Line No.: 18 Column: c**

UTILITY	
FAS 158 Pension	\$7,246,656

**Schedule Page: 276 Line No.: 18 Column: d**

UTILITY	
FAS 158 Pension	\$3,546,270
Bond Redemption Costs	243,186

**Schedule Page: 276 Line No.: 18 Column: e**

NON-UTILITY	
CNGC Acquisition Costs	\$444,811
Partnership Ordinary Gain	56

**Schedule Page: 276 Line No.: 18 Column: f**

NON-UTILITY	
Partnership Ordinary Gain	\$37,476

**Schedule Page: 276 Line No.: 18 Column: h**

UTILITY	
Regulatory Matters-254	\$6,923

NON-UTILITY	
CNGC Acquisition Costs	\$444,811

**Schedule Page: 276 Line No.: 18 Column: j**

UTILITY	
Regulatory Matters-182	\$302,585
Regulatory Matters-254	6,735

**Schedule Page: 276 Line No.: 18 Column: k**

UTILITY	
Bond Redemption Costs	\$4,114,667
FAS 158 Pension	3,700,386
Regulatory Matters-182	302,585
Regulatory Matters-254	(62,648)
Total Utility	\$8,054,990

NON-UTILITY	
Partnership Ordinary Gain	(\$18,199)

TOTAL OTHER	\$8,036,791
-------------	-------------

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**OTHER REGULATORY LIABILITIES (Account 254)**

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities  (a)	Balance at Beginning of Current Quarter/Year  (b)	DEBITS		Credits  (e)	Balance at End of Current Quarter/Year  (f)
			Account Credited (c)	Amount (d)		
1	Regulatory matters - FAS 109	11,145,347		1,205,966	84,179	10,023,560
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	<b>TOTAL</b>	11,145,347		1,205,966	84,179	10,023,560

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

**Schedule Page: 278 Line No.: 1 Column: c**

190	\$450,002
282	354,066
228	401,898

**BLANK PAGE**

**(Next Page is 300)**

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**ELECTRIC OPERATING REVENUES (Account 400)**

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	73,019,435	67,268,149
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	77,427,146	71,077,239
5	Large (or Ind.) (See Instr. 4)	21,919,172	20,078,675
6	(444) Public Street and Highway Lighting	2,172,884	2,007,442
7	(445) Other Sales to Public Authorities	2,700,999	2,452,873
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales	645,102	592,073
10	TOTAL Sales to Ultimate Consumers	177,884,738	163,476,451
11	(447) Sales for Resale	3,286,769	9,847,352
12	TOTAL Sales of Electricity	181,171,507	173,323,803
13	(Less) (449.1) Provision for Rate Refunds	-2,978,337	-1,081,393
14	TOTAL Revenues Net of Prov. for Refunds	184,149,844	174,405,196
15	Other Operating Revenues		
16	(450) Forfeited Discounts		
17	(451) Miscellaneous Service Revenues	120,799	150,374
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	3,433,361	3,410,877
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	908,851	878,617
22	(456.1) Revenues from Transmission of Electricity of Others	1,328,946	961,673
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	5,791,957	5,401,541
27	TOTAL Electric Operating Revenues	189,941,801	179,806,737

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**ELECTRIC OPERATING REVENUES (Account 400)**

5. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
7. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
8. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
930,418	885,771	98,647	97,999	2
				3
1,130,859	1,084,977	19,212	18,923	4
453,426	427,230	334	337	5
32,325	31,704	602	566	6
45,627	44,858	879	880	7
				8
8,994	8,708	208	209	9
2,601,649	2,483,248	119,882	118,914	10
165,639	483,944			11
2,767,288	2,967,192	119,882	118,914	12
				13
2,767,288	2,967,192	119,882	118,914	14

Line 12, column (b) includes \$ 1,236,023 of unbilled revenues.  
Line 12, column (d) includes 20,422 MWH relating to unbilled revenues

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**SALES OF ELECTRICITY BY RATE SCHEDULES**

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Residential-440					
2	Montana					
3	10-Residential Service	158,764	11,654,568	18,914	8,394	0.0734
4	11-Dual Fuel Space Heating Serv	153	6,812	10	15,300	0.0445
5	20-Small General Service	2,603	166,342	258	10,089	0.0639
6	52-Private Lighting Service	666	64,139	863	772	0.0963
7	North Dakota					
8	10-Residential Service	560,580	43,856,209	62,737	8,935	0.0782
9	16-Optional Time-of-Day Service	195	12,361	13	15,000	0.0634
10	20-Small General Service	4,579	460,640	606	7,556	0.1006
11	25-Irrigation Power					
12	30-General Service	2,081	175,955	39	53,359	0.0846
13	32-General Space Heating Service	292	18,223	4	73,000	0.0624
14	52-Outdoor Lighting Service	982	82,435	1,126	872	0.0839
15	South Dakota					
16	10-Residential Service	59,973	5,875,044	6,709	8,939	0.0980
17	20-Small General Service	279	26,289	17	16,412	0.0942
18	24-Private Lighting Service	192	15,311	276	696	0.0797
19	53-Dual Fuel Space Heating Serv	2,545	136,897	158	16,108	0.0538
20	54-General Dual Fuel Space Heati	29	1,475	2	14,500	0.0509
21	Wyoming					
22	10-Residential Service	98,232	7,753,987	10,822	9,077	0.0789
23	11-Controlled Service	8,721	397,753	713	12,231	0.0456
24	18-Residential Service	18,953	1,538,430	1,446	13,107	0.0812
25	20-Small General Service	1,236	102,644	217	5,696	0.0830
26	22-Special Controlled Service	9	429	1	9,000	0.0477
27	24-Private Lighting Service	511	36,328	700	730	0.0711
28	Unbilled-net	8,843	637,164			0.0721
29	Adjust for Duplicate Customers			-6,984		
30	Subtotal Residential	930,418	73,019,435	98,647	9,432	0.0785
31						
32	Small Commercial-442					
33	Montana					
34	20-Small General Service	99,412	6,124,303	4,887	20,342	0.0616
35	22-Dual Fuel Space Heating Serv	412	16,228	4	103,000	0.0394
36	25-Irrigation Power	2,291	119,545	45	50,911	0.0522
37	26-Time-of-Day General Service	112	6,358	1	112,000	0.0568
38	52-Private Lighting Service	1,620	157,366	910	1,780	0.0971
39	North Dakota					
40	20-Small General Service	81,380	7,189,348	7,789	10,448	0.0883
41	TOTAL Billed	0	0	0	0	0.0000
42	Total Unbilled Rev.(See Instr. 6)	0	0	0	0	0.0000
43	TOTAL	0	0	0	0	0.0000

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**SALES OF ELECTRICITY BY RATE SCHEDULES**

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	25-Irrigation Power	879	50,670	36	24,417	0.0576
2	26-Time-of-Day Small General Ser	83	4,785	4	20,750	0.0577
3	30-General Service	194,160	15,406,107	2,136	90,899	0.0793
4	31-Time-of-Day General Service	105	9,992	5	21,000	0.0952
5	32-General Space Heating Service	15,557	834,950	192	81,026	0.0537
6	52-Outdoor Lighting Service	3,779	317,152	1,388	2,723	0.0839
7	South Dakota					
8	20-Small General Service	31,747	2,971,206	1,866	17,013	0.0936
9	24-Private Lighting Service	471	37,645	329	1,432	0.0799
10	25-Irrigation Power	219	13,950	4	54,750	0.0637
11	26-Time-of-Day Small General Ser	28	2,924	1	28,000	0.1044
12	50-General Water Heating Service	29	3,061	13	2,231	0.1056
13	54-Dual Fuel Space Heating Serv	1,309	64,464	50	26,180	0.0492
14	56-Space Heating Service	831	63,079	49	16,959	0.0759
15	Wyoming					
16	20-Small General Service	50,842	3,476,022	2,183	23,290	0.0684
17	22-Special Controlled Service	245	11,238	18	13,611	0.0459
18	24-Private Lighting Service	672	47,698	397	1,693	0.0710
19	25-Irrigation Power	2,433	138,042	61	39,885	0.0567
20	Unbilled-net	5,589	308,396			0.0552
21	Adjust for Duplicate Customers			-4,226		
22	Subtotal Small Commercial	494,205	37,374,529	18,142	27,241	0.0756
23						
24	Large Commercial-442					
25	Montana					
26	25-Irrigation Power	491	23,610	4	122,750	0.0481
27	30-Large General Service	104,831	5,208,418	227	461,811	0.0497
28	52-Private Lighting Service	421	40,595	139	3,029	0.0964
29	North Dakota					
30	25-Irrigation Power	49	2,936	2	24,500	0.0599
31	30-Large General Service	407,971	27,709,164	692	589,553	0.0679
32	31-Time-of-Day Large General Ser	2,412	209,059	23	104,870	0.0867
33	32-General Space Heating Service	3,632	183,601	6	605,333	0.0506
34	39-Large Interruptible Power Ser	10,081	475,538	2	5,040,500	0.0472
35	52-Outdoor Lighting Service	551	46,233	180	3,061	0.0839
36	South Dakota					
37	24-Private Lighting Service	89	7,083	43	2,070	0.0796
38	30-Large General Service	21,751	1,589,780	68	319,868	0.0731
39	Wyoming					
40	24-Private Lighting Service	76	5,364	33	2,303	0.0706
41	TOTAL Billed	0	0	0	0	0.0000
42	Total Unbilled Rev.(See Instr. 6)	0	0	0	0	0.0000
43	TOTAL	0	0	0	0	0.0000

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**SALES OF ELECTRICITY BY RATE SCHEDULES**

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	39-Large General Service	81,873	4,418,531	130	629,792	0.0540
2	Unbilled-net	2,426	132,705			0.0547
3	Adjust for Duplicate Customers			-479		
4	Subtotal Large Commercial	636,654	40,052,617	1,070	595,004	0.0629
5						
6	Small Industrial-442					
7	Montana					
8	20-Small General Service	4,503	254,047	91	49,484	0.0564
9	27-Feed Grinding Service		432	2		
10	32-Mandatory Time-of-Day Service	186	14,965	5	37,200	0.0805
11	35-Contract Rate Service	560	33,485	4	140,000	0.0598
12	52-Private Lighting Service	6	591	5	1,200	0.0985
13	North Dakota					
14	20-Small General Service	868	75,975	79	10,987	0.0875
15	30-General Service	1,936	182,249	36	53,778	0.0941
16	32-General Space Heating Service	796	41,587	2	398,000	0.0522
17	52-Outdoor Lighting Service	58	4,838	23	2,522	0.0834
18	South Dakota					
19	20-Small General Service	554	53,521	18	30,778	0.0966
20	24-Private Lighting Service	20	1,634	10	2,000	0.0817
21	27-Feed Grinding Service	3	826	2	1,500	0.2753
22	Wyoming					
23	20-Small General Service	362	25,817	14	25,857	0.0713
24	24-Private Lighting Service	2	118	2	1,000	0.0590
25	Unbilled-net	80	4,181			0.0523
26	Adjust for Duplicate Customers			-56		
27	Subtotal Small Industrial	9,934	694,266	237	41,916	0.0699
28						
29	Large Industrial-442					
30	Montana					
31	30-Large General Service	86,910	3,835,428	29	2,996,897	0.0441
32	32-Mandatory Time-of-Day Service	9,317	389,792	4	2,329,250	0.0418
33	35-Contract Rate Service	183,260	7,754,066	11	16,660,000	0.0423
34	52-Private Lighting Service	1	136	2	500	0.1360
35	North Dakota					
36	30-Large General Service	134,016	7,571,445	55	2,436,655	0.0565
37	31-Optional Time-of-Day General	4,305	278,428	3	1,435,000	0.0647
38	39-Large Interruptible Power Ser	7,143	321,433	1	7,143,000	0.0450
39	52-Outdoor Lighting Service	10	880	5	2,000	0.0880
40	South Dakota					
41	TOTAL Billed	0	0	0	0	0.0000
42	Total Unbilled Rev.(See Instr. 6)	0	0	0	0	0.0000
43	TOTAL	0	0	0	0	0.0000

**SALES OF ELECTRICITY BY RATE SCHEDULES**

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	24-Private Lighting Service	11	884	2	5,500	0.0804
2	30-Large General Service	7,421	489,431	5	1,484,200	0.0660
3	Wyoming					
4	39-Large General Service	8,351	472,762	9	927,889	0.0566
5	Unbilled-net	2,747	110,221			0.0401
6	Adjust for Duplicate Customers			-29		
7	Subtotal Large Industrial	443,492	21,224,906	97	4,572,082	0.0479
8						
9	Public Street & Hwy Lighting-444					
10	Montana					
11	20-Small General Service	119	6,591	7	17,000	0.0554
12	41-Street Lighting Service	7,041	422,407	258	27,291	0.0600
13	52-Private Lighting Service	27	2,660	13	2,077	0.0985
14	North Dakota					
15	20-Small General Service	105	10,427	15	7,000	0.0993
16	41-Municipal Lighting Service	20,755	1,382,739	851	24,389	0.0666
17	52-Outdoor Lighting Service	88	6,302	25	3,520	0.0716
18	South Dakota					
19	20-Small General Service	1	351	2	500	0.3510
20	24-Private Lighting Service	6	486	5	1,200	0.0810
21	41-Street Lighting Service	2,631	226,766	139	18,928	0.0862
22	Wyoming					
23	20-Small General Service	18	1,637	4	4,500	0.0909
24	24-Private Lighting Service	5	377	2	2,500	0.0754
25	41-Street Lighting Service	1,211	88,535	17	71,235	0.0731
26	Unbilled-net	318	23,606			0.0742
27	Adjust for Duplicate Customers			-736		
28	Subtotal Pub Str & Hwy Lighting	32,325	2,172,884	602	53,696	0.0672
29						
30	Other Sales to Public Auth-446					
31	Montana					
32	48-Municipal Pumping Service	6,828	320,805	113	60,425	0.0470
33	North Dakota					
34	20-Small General Service	410	43,229	64	6,406	0.1054
35	30-Large General Service	1,886	136,663	7	269,429	0.0725
36	40-Municipal Service	4,343	327,407	379	11,459	0.0754
37	48-Municipal Pumping Service	29,433	1,703,122	321	91,692	0.0579
38	52-Outdoor Lighting Service	1	69	1	1,000	0.0690
39	South Dakota					
40	48-Municipal Pumping Service	2,364	153,026	57	41,474	0.0647
41	TOTAL Billed	0	0	0	0	0.0000
42	Total Unbilled Rev.(See Instr. 6)	0	0	0	0	0.0000
43	TOTAL	0	0	0	0	0.0000

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**SALES OF ELECTRICITY BY RATE SCHEDULES**

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Unbilled-net	362	16,678			0.0461
2	Adjust for Duplicate Customers			-63		
3	Subtotal Other Sales	45,627	2,700,999	879	51,908	0.0592
4						
5	Interdepartmental-448					
6	Montana					
7	Billed	628	44,018	103	6,097	0.0701
8	North Dakota					
9	Billed	7,747	549,728	186	41,651	0.0710
10	South Dakota					
11	Billed	314	29,071	16	19,625	0.0926
12	Wyoming					
13	Billed	248	19,214	30	8,267	0.0775
14	Unbilled-net	57	3,071			0.0539
15	Adjust for Duplicate Customers			-127		
16	Subtotal Interdepartmental	8,994	645,102	208	43,240	0.0717
17						
18	Total	2,601,649	177,884,738	119,882	21,702	0.0684
19						
20						
21						
22	Fuel Clause Adjustment					
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	0	0	0	0	0.0000
42	Total Unbilled Rev.(See Instr. 6)	0	0	0	0	0.0000
43	TOTAL	0	0	0	0	0.0000

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 304.4 Line No.: 22 Column: a**

Revenue Billed Pursuant to Fuel Clause Adjustment (FCA) (Included in revenue amounts on pages 304-304.4)

Residential-440

North Dakota

10-Residential Service	\$ 5,430,575
16-Optional Time-of-Day Service	1,906
20-Small General Service	44,994
30-General Service	20,430
32-General Space Heating Service	2,997
52-Outdoor Lighting Service	9,653

South Dakota

10-Residential Service	394,864
20-Small General Service	1,802
24-Private Lighting Service	1,282
53-Dual Fuel Space Heating Service	16,808
54-General Dual Fuel Space Heating Service	186

Wyoming

10-Residential Service	(263,866)
11-Controlled Service	(18,317)
18-Residential Service	(45,876)
20-Small General Service	(3,188)
22-Special Controlled Service	(16)
24-Private Lighting Service	(1,417)

Unbilled-net

63,751

Subtotal Residential

5,656,568

Small Commercial-442

North Dakota

20-Small General Service	790,288
25-Irrigation Power	8,069
26-Time-of-Day Small General Service	811
30-General Service	1,900,945
31-Time-of-Day General Service	1,034
32-General Space Heating Service	152,519
52-Outdoor Lighting Service	37,176

South Dakota

20-Small General Service	210,901
24-Private Lighting Service	3,154
25-Irrigation Power	1,385
26-Time-of-Day Small General Service	183
50-General Water Heating Service	188
54-Dual Fuel Space Heating Service	8,666
56-Space Heating Service	5,231

Wyoming

20-Small General Service	(138,606)
22-Special Controlled Service	(469)
24-Private Lighting Service	(1,883)
25-Irrigation Power	(8,637)

Unbilled-net

37,746

Subtotal Small Commercial

3,008,701

Large Commercial-442

North Dakota

25-Irrigation Power	444
30-Large General Service	4,001,706
31-Time-of-Day Large General Service	23,704
32-General Space Heating Service	36,910
38-Large Interruptible Power Service	97,035

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

52-Outdoor Lighting Service	5,436
South Dakota	
24-Private Lighting Service	594
30-Large General Service	146,658
Wyoming	
24-Private Lighting Service	(211)
39-Large General Service	(227,745)
Unbilled-net	20,172
Subtotal Large Commercial	4,104,703
Small Industrial-442	
North Dakota	
20-Small General Service	8,434
30-General Service	18,875
32-General Space Heating Service	7,775
52-Outdoor Lighting Service	569
South Dakota	
20-Small General Service	3,644
24-Private Lighting Service	137
Wyoming	
20-Small General Service	(915)
24-Private Lighting Service	(4)
Unbilled-net	737
Subtotal Small Industrial	39,252
Large Industrial-442	
North Dakota	
30-Large General Service	1,321,500
31-Optional Time-of-Day General Service	42,368
39-Large Interruptible Power Service	71,207
52-Outdoor Lighting Service	104
South Dakota	
24-Private Lighting Service	74
30-Large General Service	49,636
Wyoming	
39-Large General Service	(23,202)
Unbilled-net	26,742
Subtotal Large Industrial	1,488,429
Public Street & Highway Lighting-444	
North Dakota	
20-Small General Service	1,117
41-Municipal Lighting Service	204,886
52-Outdoor Lighting Service	696
South Dakota	
20-Small General Service	3
24-Private Lighting Service	41
41-Street Lighting Service	17,625
Wyoming	
20-Small General Service	(47)
24-Private Lighting Service	(16)
41-Street Lighting Service	(3,372)
Unbilled-net	3,127
Subtotal Public Street & Highway Lighting	224,060
Other Sales to Public Authorities-446	
North Dakota	
20-Small General Service	3,995
30-Large General Service	18,500

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

40-Municipal Service	42,117
48-Municipal Pumping Service	286,980
52-Outdoor Lighting Service	8
South Dakota	
48-Municipal Pumping Service	15,440
Unbilled-net	4,005
Subtotal Other Sales to Public Authorities	371,045
Interdepartmental-448	
North Dakota	75,501
South Dakota	2,080
Wyoming	(680)
Unbilled-net	761
Subtotal Interdepartmental	77,662
Total Fuel Clause Adjustment	\$ 14,970,420

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**SALES FOR RESALE (Account 447)**

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).

2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.  
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.  
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Midwest Independent Transmission					
2	System Operator (MISO)	OS	MISO	NA	NA	NA
3	Sales for Resale Fuel Cost					
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**SALES FOR RESALE (Account 447) (Continued)**

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type-of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
					1
165,639		5,700,088		5,700,088	2
		-2,413,319		-2,413,319	3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	
165,639	0	3,286,769	0	3,286,769	
<b>165,639</b>	<b>0</b>	<b>3,286,769</b>	<b>0</b>	<b>3,286,769</b>	

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

**Schedule Page: 310 Line No.: 2 Column: b**

Respondent began participation in the Midwest Independent System Operator (MISO) RTO in April 2005.

**Schedule Page: 310 Line No.: 3 Column: i**

Per Docket No. RM04-12-000; Order No. 668: Sales for Resale Revenue offset by Sales for Resale fuel and purchased power costs of \$2,413,319.

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	1,976,075	1,797,935
5	(501) Fuel	35,636,289	33,123,474
6	(502) Steam Expenses	3,741,740	3,231,118
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	1,186,459	1,165,386
10	(506) Miscellaneous Steam Power Expenses	2,748,454	2,511,088
11	(507) Rents	361	
12	(509) Allowances		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	45,289,378	41,829,001
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	778,991	696,097
16	(511) Maintenance of Structures	570,586	580,080
17	(512) Maintenance of Boiler Plant	4,466,297	6,859,903
18	(513) Maintenance of Electric Plant	793,491	1,598,525
19	(514) Maintenance of Miscellaneous Steam Plant	976,723	1,024,727
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	7,586,088	10,759,332
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	52,875,466	52,588,333
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)		

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	107,829	89,764
63	(547) Fuel	2,028,736	1,069,374
64	(548) Generation Expenses	1,531	744
65	(549) Miscellaneous Other Power Generation Expenses	431,089	560,237
66	(550) Rents		
67	TOTAL Operation (Enter Total of lines 62 thru 66)	2,569,185	1,720,119
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	83,519	37,870
70	(552) Maintenance of Structures	5,199	6,062
71	(553) Maintenance of Generating and Electric Plant	1,150,326	56,783
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	-104	54,034
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	1,238,940	154,749
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	3,808,125	1,874,868
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	31,951,329	33,221,183
77	(556) System Control and Load Dispatching	1,209,750	1,054,060
78	(557) Other Expenses		53
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	33,161,079	34,275,296
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	89,844,670	88,738,497
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	1,454,706	1,328,468
84	(561) Load Dispatching		
85	(561.1) Load Dispatch-Reliability	288,478	265,521
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	560,412	544,318
87	(561.3) Load Dispatch-Transmission Service and Scheduling		
88	(561.4) Scheduling, System Control and Dispatch Services	466,357	405,461
89	(561.5) Reliability, Planning and Standards Development		
90	(561.6) Transmission Service Studies		
91	(561.7) Generation Interconnection Studies		
92	(561.8) Reliability, Planning and Standards Development Services	33,972	29,536
93	(562) Station Expenses	592,849	611,148
94	(563) Overhead Lines Expenses	120,659	122,672
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	494,297	794,643
97	(566) Miscellaneous Transmission Expenses	138,527	171,633
98	(567) Rents	1,489,759	1,632,748
99	TOTAL Operation (Enter Total of lines 83 thru 98)	5,640,016	5,906,148
100	Maintenance		
101	(568) Maintenance Supervision and Engineering	84,137	139,081
102	(569) Maintenance of Structures		
103	(569.1) Maintenance of Computer Hardware		
104	(569.2) Maintenance of Computer Software		
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment	443,665	481,947
108	(571) Maintenance of Overhead Lines	933,748	927,569
109	(572) Maintenance of Underground Lines	1,364	531
110	(573) Maintenance of Miscellaneous Transmission Plant		
111	TOTAL Maintenance (Total of lines 101 thru 110)	1,462,914	1,549,128
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	7,102,930	7,455,276

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	<b>3. REGIONAL MARKET EXPENSES</b>		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services	391,143	438,303
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)	391,143	438,303
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Exps (Total 123 and 130)	391,143	438,303
132	<b>4. DISTRIBUTION EXPENSES</b>		
133	Operation		
134	(580) Operation Supervision and Engineering	1,340,521	1,286,600
135	(581) Load Dispatching		
136	(582) Station Expenses	515,434	458,904
137	(583) Overhead Line Expenses	587,172	478,428
138	(584) Underground Line Expenses	764,330	759,672
139	(585) Street Lighting and Signal System Expenses	55,552	68,172
140	(586) Meter Expenses	934,986	922,516
141	(587) Customer Installations Expenses	362,875	371,854
142	(588) Miscellaneous Expenses	2,469,781	2,253,598
143	(589) Rents	112,685	101,821
144	TOTAL Operation (Enter Total of lines 134 thru 143)	7,143,336	6,701,565
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	481,174	472,524
147	(591) Maintenance of Structures		
148	(592) Maintenance of Station Equipment	129,262	164,383
149	(593) Maintenance of Overhead Lines	2,128,552	2,041,939
150	(594) Maintenance of Underground Lines	684,194	635,965
151	(595) Maintenance of Line Transformers	168,535	144,810
152	(596) Maintenance of Street Lighting and Signal Systems	152,330	180,757
153	(597) Maintenance of Meters	15,759	23,373
154	(598) Maintenance of Miscellaneous Distribution Plant	412,564	441,544
155	TOTAL Maintenance (Total of lines 146 thru 154)	4,172,370	4,105,295
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	11,315,706	10,806,860
157	<b>5. CUSTOMER ACCOUNTS EXPENSES</b>		
158	Operation		
159	(901) Supervision	318,590	346,561
160	(902) Meter Reading Expenses	1,129,909	1,059,274
161	(903) Customer Records and Collection Expenses	2,064,515	2,011,586
162	(904) Uncollectible Accounts	198,094	169,682
163	(905) Miscellaneous Customer Accounts Expenses	326,993	313,613
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	4,038,101	3,900,716

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
166	Operation		
167	(907) Supervision	18,435	16,113
168	(908) Customer Assistance Expenses	83,623	86,442
169	(909) Informational and Instructional Expenses	56,724	55,761
170	(910) Miscellaneous Customer Service and Informational Expenses	1,308	1,150
171	<b>TOTAL Customer Service and Information Expenses (Total 167 thru 170)</b>	<b>160,090</b>	<b>159,466</b>
172	<b>7. SALES EXPENSES</b>		
173	Operation		
174	(911) Supervision	81,593	73,731
175	(912) Demonstrating and Selling Expenses	145,196	177,842
176	(913) Advertising Expenses	28,395	59,735
177	(916) Miscellaneous Sales Expenses	43,904	39,795
178	<b>TOTAL Sales Expenses (Enter Total of lines 174 thru 177)</b>	<b>299,088</b>	<b>351,103</b>
179	<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
180	Operation		
181	(920) Administrative and General Salaries	5,671,167	5,201,845
182	(921) Office Supplies and Expenses	2,233,345	3,055,368
183	(Less) (922) Administrative Expenses Transferred-Credit		
184	(923) Outside Services Employed	589,800	625,801
185	(924) Property Insurance	564,459	626,204
186	(925) Injuries and Damages	918,344	785,582
187	(926) Employee Pensions and Benefits	6,180,176	5,842,752
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	70,492	337,311
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	174,825	158,453
192	(930.2) Miscellaneous General Expenses	550,474	556,028
193	(931) Rents	212,723	156,552
194	<b>TOTAL Operation (Enter Total of lines 181 thru 193)</b>	<b>17,165,805</b>	<b>17,345,896</b>
195	Maintenance		
196	(935) Maintenance of General Plant	597,453	591,437
197	<b>TOTAL Administrative &amp; General Expenses (Total of lines 194 and 196)</b>	<b>17,763,258</b>	<b>17,937,333</b>
198	<b>TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)</b>	<b>130,914,986</b>	<b>129,787,554</b>

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

**Schedule Page: 320 Line No.: 85 Column: c**

Restated to reflect correct load dispatching costs.

**Schedule Page: 320 Line No.: 86 Column: c**

Restated to reflect correct load dispatching costs.

**Schedule Page: 320 Line No.: 88 Column: c**

Restated to reflect correct load dispatching costs.

**Schedule Page: 320 Line No.: 92 Column: c**

Restated to reflect correct load dispatching costs.

**Schedule Page: 320 Line No.: 198 Column: b**

Per Docket No. RM04-12-000; Order No. 668: Sales for Resale fuel and purchased power costs of \$2,413,319 have been reported as an offset to Sales for Resale revenue on pages 114, 300 and 310.

**Schedule Page: 320 Line No.: 198 Column: c**

Per Docket No. RM04-12-000; Order No. 668: Sales for Resale fuel and purchased power costs of \$6,291,612 have been reported as an offset to Sales for Resale revenue on pages 114, 300 and 310.

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**PURCHASED POWER (Account 555)**  
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Black Hills Power & Light Co.	RQ	BHPL #42	50	50	50
2	Basin Electric Power Cooperative	OS	MAPP#5			
3	Xcel Energy	OS	MAPP #5	95	95	95
4	Western Area Power Administration	OS	19			
5	Western Area Power Admin - Ft. Peck	LF	19			
6	Western Area Power Administration	EX	19			
7	Midwest Independent Transmission	EX	MISO			
8	System Operator (MISO)					
9						
10						
11						
12						
13						
14						
	<b>Total</b>					

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

PURCHASED POWER(Account 555) (Continued)  
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.

5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.

7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.

8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.

9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
280,370			6,168,988	6,558,572		12,727,560	1
			-599,368			-599,368	2
570			1,681,500			1,681,500	3
							4
14,301				281,388		281,388	5
	32,093	30,693			33,762	33,762	6
279,972				17,826,487		17,826,487	7
							8
							9
							10
							11
							12
							13
							14
575,213	32,093	30,693	7,251,120	24,666,447	33,762	31,951,329	

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

**Schedule Page: 326 Line No.: 2 Column: b**

Other Service classification includes purchases for scheduled outages, operational control, general purpose, emergencies, interruptible load replacement and economical reasons.

**Schedule Page: 326 Line No.: 3 Column: d**

Contract period May - October

**Schedule Page: 326 Line No.: 6 Column: l**

Amounts recorded to reflect power exchanges and do not constitute monetary settlements.

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)**  
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.

2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).

3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)

4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	Western Area Power Administration (WAPA)	WAPA	WAPA	OLF
2	Basin Electric Power Cooperative	Basin Electric Power Cooperative	Basin Electric Power Cooperative	OLF
3	Powder River Energy Corp.	Powder River Energy Corp.	Powder River Energy Corp.	OLF
4	Midwest Independent Transmission			
5	System Operator (MISO)	MISO participants	MISO participants	OS
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
	<b>TOTAL</b>			

**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)**  
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
19	Various	Various		472,841	450,510	1
#30	Various	Various		950,344	888,172	2
5	Sheridan	Various		96,762	90,432	3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			0	1,519,947	1,429,114	

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)**  
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

**REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS**

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	908,511		908,511	1
		105,678	105,678	2
	72,572		72,572	3
				4
	242,185		242,185	5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
0	1,223,268	105,678	1,328,946	

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

**Schedule Page: 328 Line No.: 1 Column: d**  
WAPA contract termination 12/31/15

**Schedule Page: 328 Line No.: 2 Column: m**  
Fixed monthly wheeling fee

**Schedule Page: 328 Line No.: 3 Column: d**  
Sheridan-Johnson REA contract is perpetual

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)**  
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Magawatt-hours Received (c)	Magawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	DELIVERED POWER TO AND							
2	RECEIVED POWER FROM							
3	WHEELER							
4	Western Area Power Admn	FNS	489,004	523,234		487,634		487,634
5	Mor Gran Sou Elec Coop	LFP	1,423	1,551				
6	Southeast Elec Coop	LFP	555	611		1,374		1,374
7	Midwest Independent							
8	Transmission System							
9	Operator (MISO)	OS					5,289	5,289
10								
11								
12								
13								
14								
15								
16								
	<b>TOTAL</b>		490,982	525,396		489,008	5,289	494,297

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	295,931
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	
6	Director's fees and expenses	240,644
7	Bank service fees	13,899
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46	TOTAL	550,474

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)**  
(Except amortization of acquisition adjustments)

- Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
- Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
- Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.  
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.  
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.  
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
- If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

**A. Summary of Depreciation and Amortization Charges**

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			726,389		726,389
2	Steam Production Plant	8,844,096				8,844,096
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	600,243				600,243
7	Transmission Plant	2,560,278				2,560,278
8	Distribution Plant	6,569,419				6,569,419
9	Regional Transmission and Market Operation					
10	General Plant	500,662				500,662
11	Common Plant-Electric	1,434,931		810,199		2,245,130
12	<b>TOTAL</b>	<b>20,509,629</b>		<b>1,536,588</b>		<b>22,046,217</b>

**B. Basis for Amortization Charges**

Range from five year, 20% to ten year, 10% Straight Line Amortization for computer software.

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Steam Production Plant					0	
13	311	48,351				0	
14	312	159,267				0	
15	314	44,837				0	
16	315	13,617				0	
17	316	15,259				0	
18	317	283				0	
19	Subtotal	281,614				0	
20						0	
21	Other Production Plant					0	
22	341	453				0	
23	342	610				0	
24	344	31,519				0	
25	345	885				0	
26	346	50				0	
27	Subtotal	33,517				0	
28						0	
29	Transmission Plant						
30	350.2	2,477				0	
31	352	2				0	
32	353	66,198				0	
33	354	4,448				0	
34	355	30,195				0	
35	356	25,826					
36	359	1				0	
37	Subtotal	129,147				00	
38						0	
39	Distribution Plant					0	
40	360.2	833				0	
41	362	32,793				0	
42	364	26,697				0	
43	365	18,743				0	
44	366	218				0	
45	367	43,258				0	
46	368	39,195				0	
47	369	19,557				0	
48	370	12,925				0	
49	371	2,086				0	
50	373	5,916				0	

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)**

**C. Factors Used in Estimating Depreciation Charges**

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	374	40					
13	Subtotal	202,261				0	
14						0	
15						0	
16						0	
17	General Plant					0	
18	303	5,514				0	
19	390	519				0	
20	391.1	156					
21	391.2	24				0	
22	391.3	171				0	
23	391.4	609				0	
24	391.5	16				0	
25	392.1	109				0	
26	392.2	4,754				0	
27	393	108				0	
28	394.1	1,944				0	
29	395	1,142				0	
30	396.1	341				0	
31	396.2	7,539				0	
32	397.1	69				0	
33	397.2	71				0	
34	397.3	13				0	
35	397.4	64				0	
36	397.5	89				0	
37	397.6	1,270				0	
38	397.8	130					
39	397.9	169				0	
40	398	65				0	
41	Subtotal	24,886					
42							
43	Total	671,425					
44							
45	Footnote						
46							
47							
48							
49							
50							

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 336 Line No.: 18 Column: a**

SFAS 143 Asset Removal Obligation (ARO) depreciated over the estimated remaining life until removal of the asset, with legal obligations.

**Schedule Page: 336 Line No.: 36 Column: a**

SFAS 143 Asset Removal Obligation (ARO) depreciated over the estimated remaining life until removal of the asset, with legal obligations.

**Schedule Page: 336.1 Line No.: 12 Column: a**

SFAS 143 Asset Removal Obligation (ARO) depreciated over the estimated remaining life until removal of the asset, with legal obligations.

**Schedule Page: 336.1 Line No.: 45 Column: a**

Column (b) - 12/31/07 depreciable sub-plant account balances.

Other depreciation provisions include:

Provision for deferred AFUDC, interest and depreciation of Coyote I Station which had been disallowed in Montana rate base: \$168,451 in 2007.

**BLANK PAGE**

**(Next Page is 350)**

**REGULATORY COMMISSION EXPENSES**

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	State Commission Regulatory Expense Amortized				
2	Over Various 12 Month Periods				
3					
4	MONTANA				
5	Electric				126,851
6					
7	Gas				
8					
9					
10	NORTH DAKOTA				
11	Electric				8,749
12					
13	Gas				82,250
14					
15					
16	SOUTH DAKOTA				
17	Electric				
18					
19	Gas				167,387
20					
21					
22	SOUTH DAKOTA - EAST RIVER				
23	Gas				37,378
24					
25					
26	WYOMING				
27	Electric				21,257
28					
29	Gas				2,365
30					
31					
32	MINNESOTA				
33	Gas				744,099
34					
35					
36	NORTH DAKOTA - WAHPETON				
37	Gas				
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL				1,190,336

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
							1
							2
							3
							4
Electric	928	17,073	335,203			462,054	5
							6
Gas	928	10,253					7
							8
							9
							10
Electric	928	5,803		928	8,749		11
							12
Gas	928	1,500		928	42,000	40,250	13
							14
							15
							16
Electric	928	11,594					17
							18
Gas	928	8,999		928	39,899	127,488	19
							20
							21
							22
Gas				928	3,470	33,908	23
							24
							25
							26
Electric	928	27,274	-21,257				27
							28
Gas	928	32,020		928	2,365		29
							30
							31
							32
Gas	928	115,191	25,972	928	234,159	535,912	33
							34
							35
							36
Gas	928	900					37
							38
							39
							40
							41
							42
							43
							44
							45
		230,607	339,918		330,642	1,199,612	46

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**DISTRIBUTION OF SALARIES AND WAGES**

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	4,752,008		
4	Transmission	2,197,918		
5	Regional Market			
6	Distribution	4,888,014		
7	Customer Accounts	2,290,072		
8	Customer Service and Informational	86,656		
9	Sales	171,776		
10	Administrative and General	2,650,866		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	17,037,310		
12	Maintenance			
13	Production	1,646,071		
14	Transmission	474,712		
15	Regional Market			
16	Distribution	2,309,857		
17	Administrative and General	132,005		
18	TOTAL Maintenance (Total of lines 13 thru 17)	4,562,645		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	6,398,079		
21	Transmission (Enter Total of lines 4 and 14)	2,672,630		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	7,197,871		
24	Customer Accounts (Transcribe from line 7)	2,290,072		
25	Customer Service and Informational (Transcribe from line 8)	86,656		
26	Sales (Transcribe from line 9)	171,776		
27	Administrative and General (Enter Total of lines 10 and 17)	2,782,871		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	21,599,955	75,600	21,675,555
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply	201,243		
34	Storage, LNG Terminaling and Processing			
35	Transmission	4,686		
36	Distribution	9,773,607		
37	Customer Accounts	4,667,965		
38	Customer Service and Informational	184,920		
39	Sales	650,336		
40	Administrative and General	2,568,499		
41	TOTAL Operation (Enter Total of lines 31 thru 40)	18,051,256		
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply	6,553		
46	Storage, LNG Terminaling and Processing			
47	Transmission	1,393		

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution	1,799,113		
49	Administrative and General	146,742		
50	TOTAL Maint. (Enter Total of lines 43 thru 49)	1,953,801		
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)	207,796		
55	Storage, LNG Terminating and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)	6,079		
57	Distribution (Lines 36 and 48)	11,572,720		
58	Customer Accounts (Line 37)	4,667,965		
59	Customer Service and Informational (Line 38)	184,920		
60	Sales (Line 39)	650,336		
61	Administrative and General (Lines 40 and 49)	2,715,241		
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)	20,005,057	70,018	20,075,075
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	41,605,012	145,618	41,750,630
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	2,684,512	935,271	3,619,783
69	Gas Plant	2,604,516	442,854	3,047,370
70	Other (provide details in footnote):	3,232,865	84,054	3,316,919
71	TOTAL Construction (Total of lines 68 thru 70)	8,521,893	1,462,179	9,984,072
72	Plant Removal (By Utility Departments)			
73	Electric Plant	221,183	3,479	224,662
74	Gas Plant	209,280	2,431	211,711
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	430,463	5,910	436,373
77	Other Accounts (Specify, provide details in footnote):			
78	146 Accounts Receivable from Associated Companies	100,106		100,106
79	183 Preliminary Survey and Investigation	153,351	232	153,583
80	184 Clearing Accounts	905,253	144,062	1,049,315
81	416 Cost & Expense of Merchandising, Jobbing & Contract Work	5,001,578		5,001,578
82	417 Expenses for Nonutility Operations	791,868		791,868
83	426 Miscellaneous Income Deductions	144,884	27,845	172,729
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	7,097,040	172,139	7,269,179
96	TOTAL SALARIES AND WAGES	57,654,408	1,785,846	59,440,254

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**COMMON UTILITY PLANT AND EXPENSES**

- Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
- Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
- Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
- Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

Acct. No.	Utility Plant	Accumulated Depreciation	Depreciation Expense
PLANT IN SERVICE			
303 Misc. Intangible Plant	\$21,890,038	\$13,647,101	\$1,470,415
389 Land and Land Rights	2,610,649	---	---
390 Structures and Improvements	25,789,675	10,774,350	595,665
391 Office Furniture & Equipment	8,041,468	5,371,215	1,372,543
392 Transportation Equipment	7,034,909	2,831,705	873,491
393 Stores Equipment	51,771	21,935	1,224
394 Miscellaneous Tools	1,169,383	771,528	39,545
396 Power Operated Equipment	53,432	6,232	1,675
397 Communication Equipment	1,854,231	1,323,516	159,788
398 Miscellaneous Equipment	870,800	420,961	29,404
3991 Asset Retirement Obligations	7,739	4,287	

\$69,374,095      \$35,172,830      \$4,543,750

WORK IN PROGRESS      \$6,246,339      \$ 7,563

\$75,620,434      \$35,180,393      \$4,543,750

Allocation of Common Utility Plant

Electric Department	\$43,817,402	\$21,274,191	\$2,245,130
Natural Gas Department	31,803,032	13,906,202	1,632,137
Clearing Accounts			666,483

\$75,620,434      \$35,180,393      \$4,543,750

Basis of Allocation

- General Office common plant and depreciation are allocated based on net plant and employee ratios.
- Other common plant and depreciation are directly assigned or allocated based on the ratio of electric transmission and distribution and gas distribution gross plant investment by state or employee ratios.
- Expenses other than depreciation are not shown above but are allocated on net plant in service and number of employee ratios.

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**MONTHLY TRANSMISSION SYSTEM PEAK LOAD**

- (1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.  
(2) Report on Column (b) by month the transmission system's peak load.  
(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).  
(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM: INTEGRATED SYSTEM

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	637	11	1900	389	248				
2	February	627	1	2000	386	241				
3	March	569	2	2000	351	218				
4	Total for Quarter 1	1,833			1,126	707				
5	April	506	10	1200	326	180				
6	May	501	18	1800	351	150				
7	June	618	22	1700	436	182				
8	Total for Quarter 2	1,625			1,113	512				
9	July	751	23	1800	526	225				
10	August	679	3	1700	468	211				
11	September	652	4	1800	450	202				
12	Total for Quarter 3	2,082			1,444	638				
13	October	497	31	900	320	177				
14	November	631	29	1900	395	236				
15	December	620	14	1000	402	218				
16	Total for Quarter 4	1,748			1,117	631				
17	Total Year to Date/Year	7,288			4,800	2,488				

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 400 Line No.: 1 Column: b**

MONTHLY TRANSMISSION SYSTEM PEAK LOAD

Name of System: Sheridan System

Line #	Month (a)	Monthly Peak (b)	Day (c)	Hour (d)	FN-Self (e)	Fn-Others (f)
1	January	64	11	1900	49	15
2	February	64	01	1900	49	15
3	March	57	02	0900	42	15
4	Total 1	185			140	45
5	April	48	04	0800	38	10
6	May	47	17	1700	36	11
7	June	62	29	1700	51	11
8	Total 2	157			125	32
9	July	73	24	1600	61	12
10	August	64	10	1600	53	11
11	September	63	04	1700	52	11
12	Total 3	200			166	34
13	October	49	30	1900	38	11
14	November	57	29	1800	45	12
15	December	60	10	1800	49	12
16	Total 4	166			132	35
17	<b>Total for Year</b>	<b>708</b>			<b>563</b>	<b>146</b>

**Schedule Page: 400 Line No.: 2 Column: b**

January through September Monthly Peak (column b) and Firm Network Service for Self (column e) were restated to reflect off system losses.

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**ELECTRIC ENERGY ACCOUNT**

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	2,601,649
3	Steam	2,238,740	23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	165,639
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	
7	Other	15,127	27	Total Energy Losses	119,611
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	2,886,899
9	Net Generation (Enter Total of lines 3 through 8)	2,253,867			
10	Purchases	575,213			
11	Power Exchanges:				
12	Received	32,093			
13	Delivered	30,693			
14	Net Exchanges (Line 12 minus line 13)	1,400			
15	Transmission For Other (Wheeling)				
16	Received	1,519,947			
17	Delivered	1,429,114			
18	Net Transmission for Other (Line 16 minus line 17)	90,833			
19	Transmission By Others Losses	-34,414			
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	2,886,899			

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**MONTHLY PEAKS AND OUTPUT**

- (1) Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
- (2) Report on line 2 by month the system's output in Megawatt hours for each month.
- (3) Report on line 3 by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
- (4) Report on line 4 by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
- (5) Report on lines 5 and 6 the specified information for each monthly peak load reported on line 4.

NAME OF SYSTEM: INTEGRATED SYSTEM

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	225,810	7,491	389	11	1900
30	February	213,113	12,369	386	1	2000
31	March	209,535	24,262	351	2	2000
32	April	195,272	10,631	326	10	1200
33	May	186,140	17,891	351	18	1800
34	June	213,003	18,487	436	22	1700
35	July	261,085	12,673	526	23	1800
36	August	238,884	6,335	468	3	1700
37	September	198,812	20,266	450	4	1800
38	October	206,463	33,576	320	31	0900
39	November	199,594	1,159	395	29	1900
40	December	252,488	499	402	14	1000
41	TOTAL	2,600,199	165,639			

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 401 Line No.: 29 Column: b**

Restated monthly energy

**Schedule Page: 401 Line No.: 30 Column: b**

Restated monthly energy

**Schedule Page: 401 Line No.: 31 Column: b**

Restated monthly energy

**Schedule Page: 401 Line No.: 32 Column: b**

MONTHLY PEAKS AND OUTPUT

Name of System: SHERIDAN SYSTEM

Line #	Month (a)	Total Mo. Energy (b)	Megawatts (d)	Day (e)	Hour (f)
29	January	27,660	64	11	1900
30	February	24,451	64	01	1900
31	March	22,432	57	02	0900
32	April	20,819	48	04	0800
33	May	20,506	47	17	1700
34	June	22,016	62	29	1700
35	July	29,201	73	24	1600
36	August	25,542	64	10	1600
37	September	20,879	63	04	1700
38	October	21,447	49	30	1900
39	November	23,378	57	29	1800
40	December	28,369	61	10	1800
41	TOTAL	286,700			

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)**

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: <i>R.M. Heskett</i> (b)	Plant Name: <i>Lewis &amp; Clark</i> (c)				
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Steam	Steam				
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Outdoor Boiler	Outdoor Boiler				
3	Year Originally Constructed	1954	1958				
4	Year Last Unit was Installed	1963	1958				
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	86.00	44.00				
6	Net Peak Demand on Plant - MW (60 minutes)	106	54				
7	Plant Hours Connected to Load	8165	7668				
8	Net Continuous Plant Capability (Megawatts)	0	0				
9	When Not Limited by Condenser Water	103	48				
10	When Limited by Condenser Water	103	52				
11	Average Number of Employees	51	25				
12	Net Generation, Exclusive of Plant Use - KWh	618431000	314672090				
13	Cost of Plant: Land and Land Rights	242583	80862				
14	Structures and Improvements	9586126	3957520				
15	Equipment Costs	64475131	27791080				
16	Asset Retirement Costs	124396	34548				
17	Total Cost	74428236	31864010				
18	Cost per KW of Installed Capacity (line 17/5) Including	865.4446	724.1820				
19	Production Expenses: Oper, Supv, & Engr	864295	332781				
20	Fuel	12205263	4641433				
21	Coolants and Water (Nuclear Plants Only)	0	0				
22	Steam Expenses	1448158	704664				
23	Steam From Other Sources	0	0				
24	Steam Transferred (Cr)	0	0				
25	Electric Expenses	319219	163905				
26	Misc Steam (or Nuclear) Power Expenses	1399157	391712				
27	Rents	0	0				
28	Allowances	0	0				
29	Maintenance Supervision and Engineering	335647	162515				
30	Maintenance of Structures	320233	36341				
31	Maintenance of Boiler (or reactor) Plant	1669731	644163				
32	Maintenance of Electric Plant	400214	74262				
33	Maintenance of Misc Steam (or Nuclear) Plant	348890	347462				
34	Total Production Expenses	19310807	7499238				
35	Expenses per Net KWh	0.0312	0.0238				
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Coal-Lignite	Coal-Subbit	Gas	Coal-Lignite	Coal-Subbit	Gas
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Tons	Tons	Mcf	Tons	Tons	Mcf
38	Quantity (Units) of Fuel Burned	561655	21149	678	300638	1403	11166
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	7079	8678	1064	6616	8700	1160
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	19.841	27.797	6.944	13.901	0.000	7.237
41	Average Cost of Fuel per Unit Burned	20.703	26.566	6.944	15.056	24.307	7.237
42	Average Cost of Fuel Burned per Million BTU	1.462	1.531	6.526	1.138	1.397	6.238
43	Average Cost of Fuel Burned per KWh Net Gen	0.020	0.000	0.000	0.015	0.000	0.000
44	Average BTU per KWh Net Generation	13473.960	0.000	0.000	12760.614	0.000	0.000

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)**

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: <i>Miles City</i> (d)			Plant Name: <i>Big Stone</i> (e)			Plant Name: <i>Big Stone Continued</i> (f)			Line No.
Gas Turbine			Steam						1
Conventional			Conventional						2
1972			1975						3
1972			1975						4
23.15			94.11			0.00			5
24			104			0			6
254			7033			0			7
0			0			0			8
28			108			0			9
22			106			0			10
0			17			0			11
2623360			554967117			0			12
609			150559			0			13
71768			9120013			0			14
3023074			49777531			0			15
0			4060			0			16
3095451			59052163			0			17
133.7128			627.4802			0.0000			18
49157			360332			0			19
363009			9272495			0			20
0			0			0			21
1531			236312			0			22
0			0			0			23
0			0			0			24
93962			309594			0			25
0			582191			0			26
0			0			0			27
0			0			0			28
20549			123071			0			29
222			113745			0			30
11920			1033797			0			31
128			125246			0			32
0			115715			0			33
540478			12272498			0			34
0.2060			0.0221			0.0000			35
Gas	Fuel Oil		Coal-Subbit	Fuel Oil	Tires	RRM			36
Mcf	Bbl		Tons	Bbl	Tons	Tons			37
43204	564	0	342079	1410	2338	176	0	0	38
1042	140000	0	8529	140000	15000	7187	0	0	39
7.413	97.827	0.000	26.766	0.000	15.210	1.830	0.000	0.000	40
7.413	66.446	0.000	26.613	94.219	15.210	1.830	0.000	0.000	41
7.114	11.296	0.000	1.560	16.021	0.507	0.127	0.000	0.000	42
0.136	0.000	0.000	0.017	0.000	0.000	0.000	0.000	0.000	43
18425.083	0.000	0.000	10660.304	0.000	0.000	0.000	0.000	0.000	44

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)**

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: <i>Glendive</i>			Plant Name: <i>Coyote</i>		
		(b)			(c)		
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Gas Turbine			Steam		
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional			Conventional		
3	Year Originally Constructed	1979			1981		
4	Year Last Unit was Installed	2003			1981		
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	75.50			103.65		
6	Net Peak Demand on Plant - MW (60 minutes)	76			108		
7	Plant Hours Connected to Load	611			7886		
8	Net Continuous Plant Capability (Megawatts)	0			0		
9	When Not Limited by Condenser Water	88			107		
10	When Limited by Condenser Water	79			107		
11	Average Number of Employees	3			20		
12	Net Generation, Exclusive of Plant Use - KWh	12477260			750669325		
13	Cost of Plant: Land and Land Rights	37924			522773		
14	Structures and Improvements	20945			25686909		
15	Equipment Costs	25522777			90936422		
16	Asset Retirement Costs	0			119872		
17	Total Cost	25581646			117265976		
18	Cost per KW of Installed Capacity (line 17/5) Including	338.8297			1131.3649		
19	Production Expenses: Oper, Supv, & Engr	53756			418667		
20	Fuel	1654710			9517098		
21	Coolants and Water (Nuclear Plants Only)	0			0		
22	Steam Expenses	0			1352606		
23	Steam From Other Sources	0			0		
24	Steam Transferred (Cr)	0			0		
25	Electric Expenses	308850			393741		
26	Misc Steam (or Nuclear) Power Expenses	0			375394		
27	Rents	0			361		
28	Allowances	0			0		
29	Maintenance Supervision and Engineering	58982			157758		
30	Maintenance of Structures	3963			100267		
31	Maintenance of Boiler (or reactor) Plant	1118186			1118606		
32	Maintenance of Electric Plant	253			193769		
33	Maintenance of Misc Steam (or Nuclear) Plant	0			164656		
34	Total Production Expenses	3198700			13792923		
35	Expenses per Net KWh	0.2564			0.0184		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas	Fuel Oil		Coal-Lignite	Fuel Oil	
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Mcf	Bbl		Tons	Bbl	
38	Quantity (Units) of Fuel Burned	195849	3055	0	616510	4686	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	990	140000	0	6908	140000	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	7.230	84.757	0.000	14.708	97.796	0.000
41	Average Cost of Fuel per Unit Burned	7.230	79.878	0.000	14.721	94.216	0.000
42	Average Cost of Fuel Burned per Million BTU	7.303	13.586	0.000	1.065	16.023	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.133	0.000	0.000	0.013	0.000	0.000
44	Average BTU per KWh Net Generation	16979.005	0.000	0.000	11383.516	0.000	0.000

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
MDU Resources Group, Inc.			
FOOTNOTE DATA			

**Schedule Page: 402 Line No.: -1 Column: d**

Plant is designed for peak load service.

**Schedule Page: 402 Line No.: -1 Column: e**

Plant is 22.7% owned by Respondent. Statistics represent Respondent's share of plant costs, production expenses and other data.

**Schedule Page: 402 Line No.: 5 Column: b**

Maximum Turbine Name Plate Rating

**Schedule Page: 402 Line No.: 5 Column: c**

Maximum Turbine Name Plate Rating

**Schedule Page: 402 Line No.: 5 Column: d**

Maximum Turbine Name Plate Rating

**Schedule Page: 402 Line No.: 5 Column: e**

Statistics reflect 22.7% of Maximum Turbine Name Plate Rating of 414.6

**Schedule Page: 402 Line No.: 10 Column: d**

Limited by ambient air temperature

**Schedule Page: 402.1 Line No.: -1 Column: b**

Plant is designed for peak load service. A portable generator was used for a part of the year.

**Schedule Page: 402.1 Line No.: -1 Column: c**

Plant is 25% owned by Respondent. Statistics represent Respondent's share of plant costs, production expenses and other data.

**Schedule Page: 402.1 Line No.: 5 Column: b**

Maximum Turbine Name Plate Rating

**Schedule Page: 402.1 Line No.: 5 Column: c**

Statistics reflect 25% of Maximum Turbine Name Plate Rating of 414.6

**Schedule Page: 402.1 Line No.: 10 Column: b**

Limited by ambient air temperature

**Schedule Page: 402 Line No.: 43 Column: b1**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402 Line No.: 43 Column: b2**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402 Line No.: 43 Column: b3**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402 Line No.: 43 Column: c1**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402 Line No.: 43 Column: c2**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402 Line No.: 43 Column: c3**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402 Line No.: 43 Column: d1**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402 Line No.: 43 Column: d2**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402 Line No.: 43 Column: d3**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402 Line No.: 43 Column: e1**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402 Line No.: 43 Column: e2**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402 Line No.: 43 Column: e3**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402 Line No.: 43 Column: f1**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402 Line No.: 44 Column: b1**

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402 Line No.: 44 Column: b2**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402 Line No.: 44 Column: b3**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402 Line No.: 44 Column: c1**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402 Line No.: 44 Column: c2**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402 Line No.: 44 Column: c3**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402 Line No.: 44 Column: d1**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402 Line No.: 44 Column: d2**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402 Line No.: 44 Column: d3**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402 Line No.: 44 Column: e1**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402 Line No.: 44 Column: e2**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402 Line No.: 44 Column: e3**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402 Line No.: 44 Column: f1**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402.1 Line No.: 43 Column: b1**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402.1 Line No.: 43 Column: b2**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402.1 Line No.: 43 Column: c1**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402.1 Line No.: 43 Column: c2**

Average cost of all fuels burned per net kWh generated.

**Schedule Page: 402.1 Line No.: 44 Column: b1**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402.1 Line No.: 44 Column: b2**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402.1 Line No.: 44 Column: c1**

Average Btu per net kWh generated for all fuels.

**Schedule Page: 402.1 Line No.: 44 Column: c2**

Average Btu per net kWh generated for all fuels.

**BLANK PAGE**

**(Next Page is 410)**

**GENERATING PLANT STATISTICS (Small Plants)**

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1	GAS TURBINE					
2	Williston	1953	7.80	9.4	11,026	1,967,382
3						
4	WIND					
5	Diamond Willow	2007	1.50	1.0	15,822	2,657,121
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**GENERATING PLANT STATISTICS (Small Plants) (Continued)**

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
						1
252	33,193	11,017	24,737	Nat Gas		2
						3
						4
1,771				Wind		5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46

Name of Respondent MDU Resources Group, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

**Schedule Page: 410 Line No.: 2 Column: c**

Maximum Turbine Name Plate Rating

**BLANK PAGE**

**(Next Page is 422)**

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**TRANSMISSION LINE STATISTICS**

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
- Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
- Report data by individual lines for all voltages if so required by a State commission.
- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	AVS	Charlie Creek	345.00	345.00	3	26.57		1
2	Coyote	Center	345.00	345.00	2	11.41		1
3	Coyote Switch Yard		345.00	345.00	2	1.04		1
4	Center	Jamestown	345.00	345.00	2	10.69		1
5	Big Stone Plant	Sisseton	230.00	230.00	2	47.55		1
6	Heskett Station	East Bismarck	230.00	230.00	2	10.49		1
7	Bismarck	Wishek	230.00	230.00	2	67.41		1
8	Wishek	Ellendale	230.00	230.00	2	54.83		1
9	Heskett Station	WAPA Tie	230.00	230.00	2	2.08		1
10	Montana Border	South Dakota Border	230.00	230.00	2	85.60		1
11								
12	Lines Below 132 Kilovolts		115.00	115.00	2	572.66	2.96	
13			69.00	69.00	Various	85.16	1.33	1
14			41.60	69.00	2	103.62		1
15			57.00	69.00	2	3.34		1
16			57.00	60.00	Various	863.19	0.89	1
17			41.60		Various	1,043.57	31.31	
18			33.00	35.00	1	28.99		1
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	3,018.20	36.49	15

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

**TRANSMISSION LINE STATISTICS (Continued)**

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
2306.2 KcMIL								1
2-954 MCM								2
2-954 MCM								3
2-1272 MCM								4
954 MCM								5
795 MCM								6
795 MCM								7
795 MCM								8
954 MCM								9
954 MCM								10
								11
Various								12
Various								13
4/0 ACSR								14
4/0 ACSR								15
Various								16
Various								17
Various								18
								19
	2,527,230	60,470,521	62,997,751	3,063,111	1,462,914	1,489,759	6,015,784	20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
								35
	2,527,230	60,470,521	62,997,751	3,063,111	1,462,914	1,489,759	6,015,784	36

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 422 Line No.: 4 Column: b**

Respondent, Otter Tail Power Company, Northern Municipal Power Agency and Northwestern Public Service (NMPA) share ownership of 10.69 miles of transmission line. Respondent's ownership share is 6.25%. NMPA pays all operating and maintenance expenses and they are shared based on mileage percentage. Respondent's expenses are reflected in accounts 562 and 570.

**Schedule Page: 422 Line No.: 12 Column: h**

Various

**Schedule Page: 422 Line No.: 17 Column: d**

Various

**Schedule Page: 422 Line No.: 17 Column: h**

Various

**Schedule Page: 422 Line No.: 20 Column: j**

Cost by transmission line not available. Total costs for all transmission lines.

**Schedule Page: 422 Line No.: 20 Column: k**

Cost by transmission line not available. Total costs for all transmission lines.

**Schedule Page: 422 Line No.: 20 Column: l**

Cost by transmission line not available. Total costs for all transmission lines.

**Schedule Page: 422 Line No.: 20 Column: m**

Cost by transmission line not available. Total costs for all transmission lines.

**Schedule Page: 422 Line No.: 20 Column: n**

Cost by transmission line not available. Total costs for all transmission lines.

**Schedule Page: 422 Line No.: 20 Column: o**

Cost by transmission line not available. Total costs for all transmission lines.

**Schedule Page: 422 Line No.: 20 Column: p**

Cost by transmission line not available. Total costs for all transmission lines.

**BLANK PAGE**

**(Next Page is 424)**

**TRANSMISSION LINES ADDED DURING YEAR**

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1	Diamond Willow Tap Line		0.19	SP	29.00	1	1
2	Cabin Creek Jct Tap Line		0.61	SP	16.00	1	1
3	Glendive	Baker	-0.03	Retired		1	1
4	Jct TL080-1	East Bismarck	3.69	SP	19.00	1	1
5	South Bismarck	East Bismarck	0.15	SP	14.00	1	1
6			0.40	SP	20.00	1	1
7			1.08	U.B. on SP	19.00	1	1
8			1.63	U.B. on SP	19.00	1	1
9			-3.33	Retired			
10	Fullerton Tap Line		7.23	SP	20.00	1	1
11	Acme Plant	Ranchester	10.22	Trans to Dist			
12	Broadway Sub	Tomahawk	2.32	Trans to Dist			
13	Jct HL 62	W Burton St Sub	1.81	Trans to Dist			
14	Acme Plant	Broadway Sub	8.38	Trans to Dist			
15	Jct HL 62	PP&L Sub	0.67	Trans to Dist			
16	Sheridan-Banner-Big Horn		16.17	Trans to Dist			
17	Ranchester	Dayton	6.37	Trans to Dist			
18	PP&L Sub	Jct 35	2.84	Trans to Dist			
19	PP&L Sub	Sheridan	1.22	Trans to Dist			
20	PP&L Sub	Sheridan SW Sub	12.16	Trans to Dist			
21	Sheridan W	Sheridan SW Sub	8.76	Trans to Dist			
22	Big Goose Sub Tap Line		0.05	Trans to Dist			
23	Jct HL 68	Sheridan SW Sub	3.45	Trans to Dist			
24	Sheridan SW Sub	Big Horn					
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44	TOTAL		86.04		156.00	9	9

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of <u>2007/Q4</u>
---	---	--	--

TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage KV (Operating) (k)	LINE COST				Line No.	
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)		Total (p)
4/0	ACSR	T-60-A	57	2,317	12,549	11,577		26,443	1
4/0	ACSR	T-60-A	57		67,618			67,618	2
397.5	MCMACSR		115		-799	-195		-994	3
954	MCMACSR	T-115-P	115	25,035	806,371	275,677		1,107,083	4
4/0	ACSR	T-46-HA	42		186,456	67,256		253,712	5
336	MCMACSR	T-46-A							6
4/0	ACSR	T-46-HUB							7
336	MCMACSR	T-46-HUB							8
					-19,252			-19,252	9
2/0	ACSR	T-46-AS1	42		305,647			305,647	10
			42	-3,549	-126,767	-76,528		-206,844	11
			42	-831	-78,902	-70,560		-150,293	12
			42		-38,224	-7,884		-46,108	13
			42	-1,266	-131,924	-90,369		-223,559	14
			42	-860	-6,553	-3,581		-10,994	15
			42	-4,409	-151,023	-162,735		-318,167	16
			42	-930	-35,802	-23,892		-60,624	17
			42	-1,092	-48,895	-45,457		-95,444	18
			42	-10,538	-62,366	-54,358		-127,262	19
			230	-222,320	-897,040	-730,012		-1,849,372	20
			42	-67,109	-460,985	-377,272		-905,366	21
			42		-2,209	-1,628		-3,837	22
			42		-37,125	-129,325		-166,450	23
			42	-40,119	-1,211	-271		-41,601	24
									25
									26
									27
									28
									29
									30
									31
									32
									33
									34
									35
									36
									37
									38
									39
									40
									41
									42
									43
				-325,671	-720,436	-1,419,557		-2,465,664	44

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

<b>Schedule Page: 424</b>	<b>Line No.: 1</b>	<b>Column: j</b>
86" X 86" X 86" Triangular		
<b>Schedule Page: 424</b>	<b>Line No.: 2</b>	<b>Column: j</b>
86" X 86" X 86" Triangular		
<b>Schedule Page: 424</b>	<b>Line No.: 2</b>	<b>Column: k</b>
60 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 4</b>	<b>Column: j</b>
11' X 11' X 10' Vertical		
<b>Schedule Page: 424</b>	<b>Line No.: 5</b>	<b>Column: j</b>
6' X 6' X 9' Vertical		
<b>Schedule Page: 424</b>	<b>Line No.: 5</b>	<b>Column: k</b>
46 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 6</b>	<b>Column: j</b>
86" X 86" X 86" Triangular		
<b>Schedule Page: 424</b>	<b>Line No.: 7</b>	<b>Column: j</b>
6' X 6' X 9' Vertical		
<b>Schedule Page: 424</b>	<b>Line No.: 8</b>	<b>Column: j</b>
6' X 6' X 9' Vertical		
<b>Schedule Page: 424</b>	<b>Line No.: 10</b>	<b>Column: j</b>
59" X 59" 110" Triangular		
<b>Schedule Page: 424</b>	<b>Line No.: 10</b>	<b>Column: k</b>
46 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 11</b>	<b>Column: k</b>
46 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 12</b>	<b>Column: k</b>
46 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 13</b>	<b>Column: k</b>
46 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 14</b>	<b>Column: k</b>
46 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 15</b>	<b>Column: k</b>
46 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 16</b>	<b>Column: k</b>
46 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 17</b>	<b>Column: k</b>
46 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 18</b>	<b>Column: k</b>
46 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 19</b>	<b>Column: k</b>
46 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 21</b>	<b>Column: k</b>
46 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 22</b>	<b>Column: k</b>
46 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 23</b>	<b>Column: k</b>
46 KV Design		
<b>Schedule Page: 424</b>	<b>Line No.: 24</b>	<b>Column: d</b>
Transfer to Distribution - Not Completed		
<b>Schedule Page: 424</b>	<b>Line No.: 24</b>	<b>Column: k</b>
46 KV Design		

**BLANK PAGE**

**(Next Page is 426)**

**SUBSTATIONS**

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Big Stone, SD (22.7% Interest)	Trans at Plant	230.00	22.90	
2	Big Stone, SD (22.7% Interest)	Trans at Plant	230.00	118.00	13.80
3	Coyote Station, ND (25% Interest)	Trans at Plant	345.00	22.90	
4	Coyote Station, ND (25% Interest)	Trans at Plant	115.00	13.80	
5	Coyote Station, ND	Trans at Plant	345.00	115.00	13.80
6	Diamond Willow, MT	Trans at Plant	57.20	34.50	
7	Glendive, MT (Turbine)	Trans at Plant	115.00	60.00	
8	Glendive, MT (Turbine)	Trans at Plant	115.00	13.20	
9	Glendive, MT (Turbine)	Trans at Plant	115.00	60.00	
10	Heskett Station, ND	Trans at Plant	230.00	115.00	13.80
11	Heskett Station, ND	Trans at Plant	116.00	13.20	
12	Heskett Station, ND	Trans at Plant	115.00	13.20	
13	Heskett Station, ND	Trans at Plant	115.00	41.60	
14	Heskett Station, ND	Trans at Plant	115.00	69.00	
15	Lewis & Clark Station, MT	Trans at Plant	115.00	13.80	
16	Lewis & Clark Station, MT	Trans at Plant	57.00	13.80	
17	Lewis & Clark Station, MT	Trans at Plant	115.00	60.00	
18	Miles City, MT (Turbine)	Trans at Plant	57.00	13.80	
19	Substations under 10,000 KVA (1)				
20	SUBTOTAL		2702.20	813.70	41.40
21					
22	Baker, MT	Trans Unattended	115.00	57.00	
23	Baker, MT	Trans Unattended	230.00	115.00	14.10
24	Baker, MT Cabin Creek Jct	Trans Unattended	115.00	57.20	
25	Beulah Jct., ND	Trans Unattended	115.00	41.60	
26	Bismarck Jct., ND (E. Bismarck)	Trans Unattended	115.00	41.60	
27	Bismarck, ND NW	Trans Unattended	115.00	41.60	
28	Bismarck, ND Sweet Ave.	Trans Unattended	115.00	41.60	
29	Bowdle Jct., SD	Trans Unattended	115.00	41.60	
30	Dickinson, ND	Trans Unattended	115.00	41.60	
31	Dunning, ND	Trans Unattended	115.00	57.00	
32	Ellendale Jct., ND	Trans Unattended	230.00	115.00	13.80
33	Ellendale Jct., ND	Trans Unattended	115.00	41.60	
34	Elgin, ND	Trans Unattended	69.00	41.60	
35	Gascoyne Jct., ND	Trans Unattended	115.00	41.60	
36	Glenham Jct., SD	Trans Unattended	230.00	115.00	41.60
37	Glenham Jct., SD	Trans Unattended	230.00	115.00	41.60
38	Halliday, ND	Trans Unattended	115.00	41.60	
39	Hettinger Jct., ND	Trans Unattended	115.00	41.60	
40	Hettinger Jct., ND	Trans Unattended	230.00	115.00	14.10

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
105	1					1
52	1					2
121	1					3
21	1					4
168	1					5
28	2					6
50	1					7
40	1					8
37	1					9
112	1					10
94	1	1				11
28	1					12
34	1					13
45	1			1		14
53	1					15
20	1					16
47	1					17
31	1					18
7	1					19
1093	20	1		1		20
						21
40	1			1		22
112	1					23
83	1					24
45	1					25
80	2			2		26
47	1			1		27
56	1					28
20	1			1		29
75	1					30
20	1			1		31
100	1					32
37	1					33
15	1					34
11	1			1		35
30	1			1		36
50	1					37
20	1			1		38
25	1			1		39
112	1					40

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**SUBSTATIONS**

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Kenmare Jct., ND	Trans Unattended	115.00	57.00	
2	Linton Jct., ND	Trans Unattended	115.00	41.60	
3	McIntosh Jct., SD	Trans Unattended	115.00	41.60	
4	Miles City, MT	Trans Unattended	230.00	115.00	13.80
5	Miles City, MT	Trans Unattended	115.00	57.00	13.80
6	New England, ND	Trans Unattended	115.00	41.60	
7	Plentywood Jct., MT	Trans Unattended	115.00	57.00	
8	Poplar Jct., MT	Trans Unattended	115.00	57.00	
9	Rosebud Creek, MT	Trans Unattended	230.00	60.00	13.80
10	Sheridan, WY (PP&L)	Trans Unattended	230.00	41.60	
11	Sheridan, WY (PP&L)	Trans Unattended	230.00	41.60	
12	Sheridan, WY	Trans Unattended	230.00	41.60	
13	Stanley Jct., ND	Trans Unattended	115.00	69.00	12.47
14	Tioga, ND	Trans Unattended	230.00	115.00	
15	Tioga Jct., ND	Trans Unattended	115.00	57.00	
16	Wishek Jct., ND	Trans Unattended	115.00	41.60	
17	Wishek Jct., ND	Trans Unattended	230.00	115.00	
18	Substations under 10,000 KVA (5)				
19	SUBTOTAL		5474.00	2254.00	179.07
20					
21	Substations under 10,000 KVA Distrib at Plant (2)				
22	SUBTOTAL				
23					
24	Beulah, ND Dragline	Distrib Unattended	115.00	6.90	
25	KRCM Beulah, ND Dragline KRCM Site II	Distrib Unattended	115.00	6.90	
26	Baker, MT Lookout Butte	Distrib Unattended	57.20	12.47	
27	Bismarck, ND 6th St	Distrib Unattended	41.60	12.47	
28	Bismarck, ND Kirkwood	Distrib Unattended	115.00	12.47	
29	Bismarck, ND-West Loop	Distrib Unattended			
30	Bismarck, ND SE Expressway	Distrib Unattended	115.00	12.47	
31	Bismarck, ND NW (Century)	Distrib Unattended	115.00	12.47	
32	Bismarck, ND NE	Distrib Unattended	115.00	12.47	
33	Bismarck, ND Front Ave	Distrib Unattended	115.00	12.47	
34	Bismarck, ND Front Ave	Distrib Unattended	115.00	12.50	
35	Bismarck, ND Turnpike	Distrib Unattended	115.00	12.47	
36	Bismarck, ND South 9th St.	Distrib Unattended	41.60	12.50	
37	Bismarck, ND East Loop Sub	Distrib Unattended	41.60	12.47	
38	Dickinson, ND	Distrib Unattended	41.60	12.47	
39	Dickinson, ND East Broadway	Distrib Unattended	41.60	12.47	
40	Dickinson, ND	Distrib Unattended	41.60	12.47	

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
30	1			1	3	1
15	1			1	2	2
13	1			2	1	3
100	1					4
56	1					5
22	1			1	2	6
47	1					7
37	1					8
40	1					9
37	1					10
20	1					11
75	1					12
20	1			1	2	13
112	1					14
30	1			1	3	15
30	1			1	3	16
112	1					17
12	8	1				18
1786	45	1		18	45	19
						20
	1			1	1	21
	1			1	1	22
						23
11	1					24
11	1					25
11	1					26
14	1			3	2	27
28	1			6	2	28
14	1			3	1	29
53	2			9	4	30
22	1			3	2	31
28	1			6	2	32
47	1			15	3	33
47	1			12	4	34
28	1			6	2	35
11	1			3	1	36
14	1			3	1	37
11	1			3	1	38
14	1			3	1	39
11	1			3	1	40

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

**SUBSTATIONS**

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Glendive, MT	Distrib Unattended	57.00	12.47	
2	Glendive, MT	Distrib Unattended	57.00	12.47	
3	Mandan, ND Collins Ave	Distrib Unattended	41.60	12.47	
4	Mandan, ND Midway	Distrib Unattended	41.60	12.50	
5	Mandan, ND Amoco Refinery	Distrib Unattended	41.60	4.16	
6	Mandan, ND	Distrib Unattended	115.00	12.47	
7	Miles City, MT-East	Distrib Unattended	57.00	12.47	
8	Miles City, MT	Distrib Unattended	57.00	12.47	
9	Mobridge, SD	Distrib Unattended	115.00	12.47	
10	Sheridan, WY Broadway	Distrib Unattended	41.60	12.47	
11	Sheridan, WY Broadway	Distrib Unattended	41.60	12.47	
12	Sheridan, WY Sugarland	Distrib Unattended	41.60	12.47	
13	Sheridan, WY	Distrib Unattended	41.60	12.47	
14	Sidney, MT	Distrib Unattended	57.00	12.47	
15	Sidney, MT	Distrib Unattended	57.00	12.47	
16	Williston, ND East Broadway	Distrib Unattended	57.00	12.47	
17	Williston, ND NE	Distrib Unattended	57.00	12.47	
18	Williston, ND NW	Distrib Unattended	57.00	12.47	
19	Williston, ND NW	Distrib Unattended	57.00	13.80	
20	Substations Under 10,000 KVA (232)				
21	SUBTOTAL		2433.00	418.42	
22					
23	GRAND TOTAL		10609.20	3486.12	220.47
24					
25					
26	FOOTNOTES				
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent MDU Resources Group, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
---	---	--	---

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
14	1			3	1	1
11	1			3	1	2
14	1			3	1	3
11	1			3	1	4
11	1					5
50	2			9	3	6
11	1			3	1	7
11	1			3	1	8
22	1			9	1	9
11	1			3	1	10
13	1			3	1	11
11	1			3	2	12
11	1			3	2	13
11	1			3	1	14
11	1			3	1	15
10	1			3	1	16
10	1			3	1	17
10	1			3	1	18
14	1					19
448	392			436	41	20
1090	430			577	89	21
						22
3969	496	2		597	139	23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2007	2007/Q4
FOOTNOTE DATA			

**Schedule Page: 426 Line No.: 26 Column: a**

See (A) and (B) of footnotes

**Schedule Page: 426 Line No.: 27 Column: a**

See (B) and (C) of footnotes

**Schedule Page: 426 Line No.: 31 Column: a**

See (J) and (K) of footnotes

**Schedule Page: 426 Line No.: 34 Column: a**

See (N) and (O) of footnotes

**Schedule Page: 426 Line No.: 38 Column: a**

See (H) and (I) of footnotes

**Schedule Page: 426.1 Line No.: 4 Column: a**

See (P) of footnotes

**Schedule Page: 426.1 Line No.: 5 Column: a**

See (L) and (M) of footnotes

**Schedule Page: 426.1 Line No.: 9 Column: a**

See (D) and (E) of footnotes

**Schedule Page: 426.1 Line No.: 17 Column: a**

See (F) and (G) of footnotes

**Schedule Page: 426.2 Line No.: 26 Column: a**

FOOTNOTES:

- (A) Capital Electric Cooperative, Inc. has a 25 MVA capacity interest.
- (B) Capital Electric Cooperative, Inc. pays for all expenses relating to equipment owned by them and is not an associated company.
- (C) Capital Electric Cooperative, Inc. has a 10 MVA capacity interest.
- (D) Mid-Yellowstone Electric Cooperative, Inc. has a 14,911 KVA capacity interest.
- (E) Respondent and Mid-Yellowstone Electric Cooperative, Inc. shared the facilities construction cost and available capacity in the respective percentages of 63% and 37%. All maintenance and operating expenses are shared in the same percentage. The Respondent's expenses are reflected in accounts 570 and 562. Mid-Yellowstone Electric Cooperative, Inc. is not an associated company.
- (F) KEM Electric Cooperative, Inc. has a 59,136 KVA capacity interest.
- (G) KEM Electric Cooperative, Inc. pays for all expenses relating to equipment owned by them and is not an associated company.
- (H) Upper Missouri G&T Electric Cooperative, Inc. has a 15,300 KVA capacity interest.
- (I) Upper Missouri G&T Electric Cooperative, Inc. pays for all expenses relating to equipment owned by them and is not an associated company.
- (J) Central Power and Upper Missouri G&T Electric Cooperative, Inc. have a 9,420 KVA capacity interest.
- (K) Central Power pays for all expenses relating to equipment owned by them and is not an associated company. Respondent pays for all expenses relating to transformer and regulator equipment owned by Respondent.
- (L) Western Area Power Administration (WAPA) has a 9,500 KVA capacity interest.
- (M) WAPA does routine maintenance at their expense and major repairs are allocated 19% WAPA and 81% Respondent.
- (N) Mor-Gran-Sou Electric Cooperative has a 4,560 KVA capacity interest.
- (O) Mor-Gran-Sou Electric Cooperative pays for all expenses relating to equipment owned by them and is not an associated company.
- (P) WAPA has a 25,000 KVA capacity interest.

INDEX

<u>Schedule</u>	<u>Page No.</u>
Accrued and prepaid taxes .....	262-263
Accumulated Deferred Income Taxes .....	234
	272-277
Accumulated provisions for depreciation of	
common utility plant .....	356
utility plant .....	219
utility plant (summary) .....	200-201
Advances	
from associated companies .....	256-257
Allowances .....	228-229
Amortization	
miscellaneous .....	340
of nuclear fuel .....	202-203
Appropriations of Retained Earnings .....	118-119
Associated Companies	
advances from .....	256-257
corporations controlled by respondent .....	103
control over respondent .....	102
interest on debt to .....	256-257
Attestation .....	i
Balance sheet	
comparative .....	110-113
notes to .....	122-123
Bonds .....	256-257
Capital Stock .....	251
expense .....	254
premiums .....	252
reacquired .....	251
subscribed .....	252
Cash flows, statement of .....	120-121
Changes	
important during year .....	108-109
Construction	
work in progress - common utility plant .....	356
work in progress - electric .....	216
work in progress - other utility departments .....	200-201
Control	
corporations controlled by respondent .....	103
over respondent .....	102
Corporation	
controlled by .....	103
incorporated .....	101
CPA, background information on .....	101
CPA Certification, this report form .....	i-ii

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Deferred	
credits, other .....	269
debits, miscellaneous .....	233
income taxes accumulated - accelerated amortization property .....	272-273
income taxes accumulated - other property .....	274-275
income taxes accumulated - other .....	276-277
income taxes accumulated - pollution control facilities .....	234
Definitions, this report form .....	iii
Depreciation and amortization	
of common utility plant .....	356
of electric plant .....	219
	336-337
Directors .....	105
Discount - premium on long-term debt .....	256-257
Distribution of salaries and wages .....	354-355
Dividend appropriations .....	118-119
Earnings, Retained .....	118-119
Electric energy account .....	401
Expenses	
electric operation and maintenance .....	320-323
electric operation and maintenance, summary .....	323
unamortized debt .....	256
Extraordinary property losses .....	230
Filing requirements, this report form	
General information .....	101
Instructions for filing the FERC Form 1 .....	i-iv
Generating plant statistics	
hydroelectric (large) .....	406-407
pumped storage (large) .....	408-409
small plants .....	410-411
steam-electric (large) .....	402-403
Hydro-electric generating plant statistics .....	406-407
Identification .....	101
Important changes during year .....	108-109
Income	
statement of, by departments .....	114-117
statement of, for the year (see also revenues) .....	114-117
deductions, miscellaneous amortization .....	340
deductions, other income deduction .....	340
deductions, other interest charges .....	340
Incorporation information .....	101

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Interest	
charges, paid on long-term debt, advances, etc .....	256-257
Investments	
nonutility property .....	221
subsidiary companies .....	224-225
Investment tax credits, accumulated deferred .....	266-267
Law, excerpts applicable to this report form .....	iv
List of schedules, this report form .....	2-4
Long-term debt .....	256-257
Losses-Extraordinary property .....	230
Materials and supplies .....	227
Miscellaneous general expenses .....	335
Notes	
to balance sheet .....	122-123
to statement of changes in financial position .....	122-123
to statement of income .....	122-123
to statement of retained earnings .....	122-123
Nonutility property .....	221
Nuclear fuel materials .....	202-203
Nuclear generating plant, statistics .....	402-403
Officers and officers' salaries .....	104
Operating	
expenses-electric .....	320-323
expenses-electric (summary) .....	323
Other	
paid-in capital .....	253
donations received from stockholders .....	253
gains on resale or cancellation of reacquired capital stock .....	253
miscellaneous paid-in capital .....	253
reduction in par or stated value of capital stock .....	253
regulatory assets .....	232
regulatory liabilities .....	278
Peaks, monthly, and output .....	401
Plant, Common utility	
accumulated provision for depreciation .....	356
acquisition adjustments .....	356
allocated to utility departments .....	356
completed construction not classified .....	356
construction work in progress .....	356
expenses .....	356
held for future use .....	356
in service .....	356
leased to others .....	356
Plant data .....	336-337
	401-429

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Plant - electric	
accumulated provision for depreciation .....	219
construction work in progress .....	216
held for future use .....	214
in service .....	204-207
leased to others .....	213
Plant - utility and accumulated provisions for depreciation	
amortization and depletion (summary) .....	201
Pollution control facilities, accumulated deferred	
income taxes .....	234
Power Exchanges .....	326-327
Premium and discount on long-term debt .....	256
Premium on capital stock .....	251
Prepaid taxes .....	262-263
Property - losses, extraordinary .....	230
Pumped storage generating plant statistics .....	408-409
Purchased power (including power exchanges) .....	326-327
Reacquired capital stock .....	250
Reacquired long-term debt .....	256-257
Receivers' certificates .....	256-257
Reconciliation of reported net income with taxable income	
from Federal income taxes .....	261
Regulatory commission expenses deferred .....	233
Regulatory commission expenses for year .....	350-351
Research, development and demonstration activities .....	352-353
Retained Earnings	
amortization reserve Federal .....	119
appropriated .....	118-119
statement of, for the year .....	118-119
unappropriated .....	118-119
Revenues - electric operating .....	300-301
Salaries and wages	
directors fees .....	105
distribution of .....	354-355
officers' .....	104
Sales of electricity by rate schedules .....	304
Sales - for resale .....	310-311
Salvage - nuclear fuel .....	202-203
Schedules, this report form .....	2-4
Securities	
exchange registration .....	250-251
Statement of Cash Flows .....	120-121
Statement of income for the year .....	114-117
Statement of retained earnings for the year .....	118-119
Steam-electric generating plant statistics .....	402-403
Substations .....	426
Supplies - materials and .....	227

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
<u>Taxes</u>	
accrued and prepaid .....	262-263
charged during year .....	262-263
on income, deferred and accumulated .....	234
	272-277
reconciliation of net income with taxable income for .....	261
Transformers, line - electric .....	429
<u>Transmission</u>	
lines added during year .....	424-425
lines statistics .....	422-423
of electricity for others .....	328-330
of electricity by others .....	332
<u>Unamortized</u>	
debt discount .....	256-257
debt expense .....	256-257
premium on debt .....	256-257
Unrecovered Plant and Regulatory Study Costs .....	230





