MONTANA-DAKOTA
UTILITIES CO.
A Division of MDU Resources Group, Inc.

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

May 9, 2008

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

Re: Cost of Gas Adjustment
(COG) Case No. PU-08-___

In accordance with North Dakota Century Code Section 49-05-05, Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., respectfully submits an original and seven (7) copies of a Cost of Gas (COG) change pursuant to the terms of Rate 88.

Attachment A is the Rate Summary Sheet (63rd Revised Sheet No. 3) showing the proposed natural gas rates, to be effective with service rendered June 1, 2008, pursuant to the Order in Docket No. PU-08-132.

Montana-Dakota purchases gas supplies under a number of contracts. The commodity cost of gas has increased $1.233 per dk since the last filing due to an increase in the overall market price of gas. Attachment B explains the reasons for the increase in the market price of gas.

The COG tariff sheet, Exhibit A, summarizes the gas cost adjustment, calculated pursuant to the terms of Rate 88, and the surcharge adjustment and margin sharing provision that will apply during the month of June 2008.

The net effect of this filing, calculated pursuant to the terms of Rate 88, is an increase of $1.233 per dk for residential and firm general service customers, an increase of $1.215 per dk for small and large interruptible customers and an increase of $1.210 per dk for Air Force interruptible customers from the currently effective rates.

Exhibit B shows the calculation of the current gas cost adjustment that will be applicable to Montana-Dakota's customers for the month of June 2008. The average cost of gas for firm customers, adjusted for losses, is $10.756.

Exhibit C shows the calculation of the return on storage inventory balances and prepaid demand and commodity balances using the calculation procedure set forth in Rate 88.

The overall rate of return of 8.791% was authorized by the Commission in Case No. PU-04-97.

The proposed adjustment, calculated in accordance with Rate 88, will amount to an increase of approximately $430,000 during the month of June 2008. All of Montana-Dakota's retail gas customers in North Dakota may be affected by this proposal. There were 89,742 customers in North Dakota as of April 30, 2008.

Please refer all inquiries regarding this filing to:

Ms. Rita A. Mulkern
Regulatory Analysis Manager
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence and pleadings to:

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

Montana-Dakota also submits herewith a check for the amount of $400.00 in accordance with North Dakota Century Code Section 49-05-05. This payment is to cover the filing fee associated with the monthly COG filings for June through December, 2008.

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

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

Sincerely,

Rita A. Mulkern

Rita A. Mulkern
Regulatory Analysis Manager

Attachments
Cc: D. Ball

STATE OF NORTH DAKOTA)
: ss.
COUNTY OF BURLEIGH)

Rita A. Mulkern, being first duly sworn, deposes and says; that she is the Regulatory Analysis Manager of Montana-Dakota Utilities Co., the Applicant herein; that she has read the foregoing Application, knows the contents thereof, and that the same is true and correct to the best of her knowledge, information and belief.

Dated this 9th day of May 2008.

Rita A. Mulkern

Rita A. Mulkern

Subscribed and sworn to before me this 9th day of May 2008.

SARA J GRAF
Notary Public
State of North Dakota
My Commission Expires September 18, 2013

Sara J. Graf

Sara J. Graf, Notary Public
Burleigh County, North Dakota
My Commission Expires: 09/18/2013

OF COUNSEL:

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

Attachment A

Rate Summary Sheet
(Proposed)

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

State of North Dakota
Gas Rate Schedule

RATE SUMMARY SHEET

Rate Schedule	Sheet No.	Basic Service Charge	Distribution Delivery Charge	COG Items	Total Rate/ Dk
Residential Rate 60	4	$0.30 per day	$0.812	$10.514	$11.326
Air Force Rate 64	7				
Minot Air Force Base		$1,000.00 per month			
PAR Site		$135.00 per month			
Firm Service			$0.138	$10.514	$10.652
Interruptible Service - PAR			$0.120	$9.427	$9.547
Interruptible Service - MAFB			$0.120	$9.664	$9.784
Firm General Service Rate 70	13				
Meters rated < 500 cubic feet		$0.52 per day			
Meters rated > 500 cubic feet		$1.75 per day	$0.597	$10.514	$11.111
			(Maximum)		(Maximum)
Small Interruptible Gas Rate 71	14	$100.00 per month	$0.871	$9.427	$10.298
Optional Seasonal Gas					
Service Rate 72	15				
Meters rated < 500 cubic feet		$0.52 per day			
Meters rated > 500 cubic feet		$1.75 per day			
Winter Gas Usage			$0.597	$10.595	$11.192
Summer Gas Usage			$0.597	$9.684	$10.281
Transportation Service	24				
Small Interruptible Rate 81		$150.00 per month			
Maximum			$0.427		
Minimum			$0.102		
Fuel Charge				$0.044	
Large Interruptible Rate 82		$725.00 per month			
Maximum			$0.298		
Minimum			$0.061		
Fuel Charge				$0.044	
			(Maximum)		(Maximum)
Large Interruptible Gas Rate 85	27	$675.00 per month	$0.719	$9.427	$10.146
Residential Propane Rate 90	32	$0.30 per day	$0.812	$17.414	$18.226
Firm General Propane Rate 92	34				
Meters rated < 500 cubic feet		$0.52 per day			
Meters rated > 500 cubic feet		$1.75 per day	$0.597	$17.414	$18.011

Date Filed: May 9, 2008 **Effective Date:**

Issued By: Donald R. Ball
Vice President - Regulatory Affairs **Case No.:**

Montana-Dakota Utilities Co.
Market Conditions for Regional Natural Gas

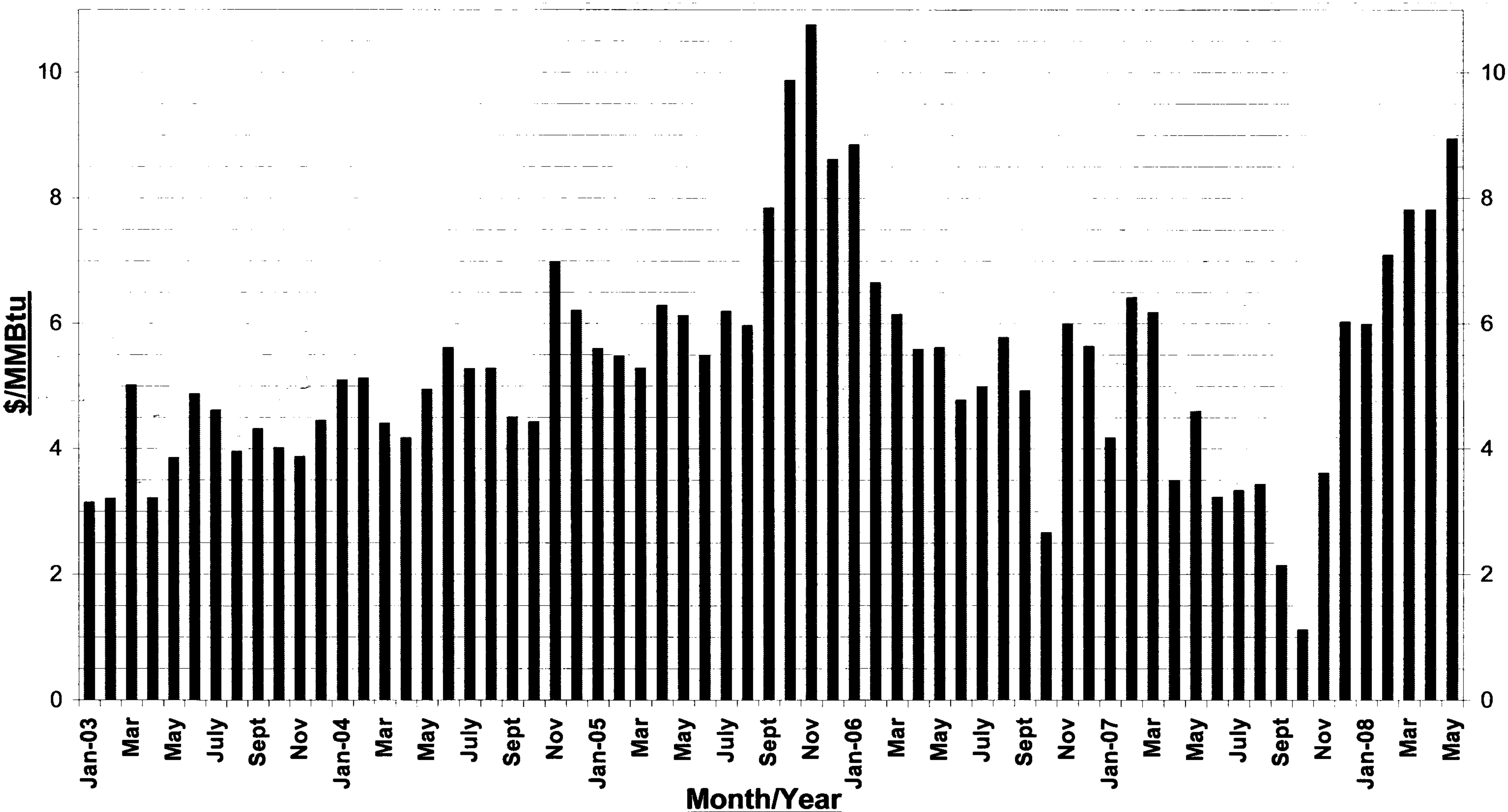
June 2008

The established May monthly price for the Rocky Mountain CIG Index increased from the previous month. The CIG Rocky Mountain Index is based on a price discovery survey by several natural gas periodicals, including "Inside FERC Gas Market" report and "Gas Daily" by McGraw-Hill Companies, of prices paid by willing sellers and buyers of quantities of gas in that region. That price is most reflective of natural gas prices in the Rocky Mountain region and indicative of a majority of the supplies Montana-Dakota purchases for its requirements.

Record high crude oil prices combined with continuing cold weather throughout much of the nation (April was 6% colder than normal) placed upward pressure on all energy commodity prices. Natural gas in storage, as of April 25, 2008, was 3 Bcf below the five year average and approximately 255 Bcf below the prior year balance as reported by the Department of Energy's (DOE) Energy Information Administration (EIA). NYMEX futures prices remain high reflecting the mindset of persisting strong demand, tight supply and low liquidfied natural gas imports in the gas market, which is expected to continue throughout the summer. The EIA provides various publications on energy issues. The information is available on their website: http://www.eia.doe.gov.

The May Short-Term Energy Outlook specific to natural gas prices, supply and demand is provided as pages 3 through 10.

CIG Rocky Mountains Index
Monthly Gas Prices 2003-2008 YTD



From Inside F.E.R.C.'s Gas Market Report
Annual Averages: - 2006-$5.63; 2007-$3.97; 2008YTD-$7.53

www.eia.doe.gov
Energy Information Administration

May 2008

Short-Term Energy Outlook

May 6, 2008 Release

Highlights

- West Texas Intermediate (WTI) crude oil spot prices increased from $101 to $120 per barrel over the first 3 weeks of April as supply disruptions in Nigeria and the North Sea and continuing strong demand growth in the emerging market countries pressured oil markets. WTI crude oil prices, which averaged $72 per barrel in 2007, are projected to average $110 per barrel in 2008 and $103 per barrel in 2009. These projections are about $9 per barrel higher than the projections in last month's *Outlook.*

- The projected prices for crude oil in 2008 will result in higher prices for all petroleum products. Regular-grade gasoline is expected to average $3.52 per gallon in 2008, or 71 cents above the 2007 annual average price. The monthly average regular-grade gasoline price is projected to peak at $3.73 per gallon in June.

- World oil consumption is projected to grow by 1.2 million barrels per day (bbl/d) in 2008. U.S. consumption of liquid fuels and other petroleum is expected to decline in 2008 by about 190,000 bbl/d as a result of the economic slowdown and high petroleum prices. After accounting for increased ethanol use, U.S. petroleum consumption is projected to fall by 330,000 bbl/d in 2008.

- The Henry Hub natural gas spot price averaged $7.17 per thousand cubic feet (Mcf) in 2007 and is expected to average about $9.70 per Mcf in 2008 and $9.40 per Mcf in 2009.

Global Petroleum

The oil supply system continues to operate at near capacity and remains vulnerable to both actual and perceived supply disruptions. The supply and demand balance for the remainder of the year is tighter than in last month's *Outlook.* World oil markets are particularly tight during the first half of 2008, with year-over-year growth in world oil consumption outstripping growth in non-Organization of the Petroleum

Exporting Countries (OPEC) production by over 1 million bbl/d. The combination of rising global demand, fairly normal seasonal inventory patterns, slow gains in non-OPEC supply, and low levels of available surplus production capacity is providing firm support for prices.

The flow of investment money into commodities markets and ongoing geopolitical concerns in a number of producing countries, including Nigeria, Iraq, and Venezuela, have contributed to crude oil price volatility. OPEC appears satisfied with current market conditions, given recent statements by some members, suggesting that there are no plans to review OPEC production until the next scheduled meeting on September 9th. Also weighing on market expectations is Saudi oil minister Naimi's public statement suggesting no need to add production capacity beyond the announced plan to expand Saudi oil production capacity to 12.5 million bbl/d by 2009.

If non-OPEC production rises as expected and some OPEC members add production capacity as planned, surplus crude oil production capacity should increase and ease upward price pressures by early next year. The expected surplus capacity, however, is less than projected in last month's *Outlook*.

Consumption. World oil consumption is projected to grow by 1.2 million bbl/d in 2008. Almost all of the growth in 2008 is expected to come from the non-Organization for Economic Cooperation and Development (OECD) countries, led by China, Middle East oil producing countries, and Russia, as well as Brazil and India (World Oil Consumption). China's oil consumption is expected to rise by 0.4 million bbl/d in 2008, with Chinese oil imports in March showing an increase of 0.8 million bbl/d from year-earlier levels. OECD oil consumption is projected to remain relatively unchanged, with growth in consumption in Europe, where weather factors constrained oil consumption in 2007, offsetting declines in the United States.

Non-OPEC Supply. Non-OPEC supply is forecast to rise by 0.6 million bbl/d in 2008, about the same as in last month's *Outlook*. Upward revisions in Africa and the United States offset lower expectations for growth in Russia and the North Sea. Brazil, Azerbaijan, and Sudan are expected to account for most of the increases in production in 2008, while the United Kingdom, Mexico, and Norway are among countries expected to experience declines (Non-OPEC Oil Production Growth). Russian oil production in the first quarter averaged 80,000 bbl/d below levels from first-quarter 2007, the first year-over-year decline this decade. However, EIA expects this to be temporary, with Russian production expected to grow on average in 2008. Most of the non-OPEC supply growth in 2008 is expected in the second half of the year, in contrast to very little growth in the first half of the year. Given recent history, EIA recognizes that the pace and timing of non-OPEC supply growth will continue to be subject to possible delays in key projects and accelerating production declines in some older fields. Thus, net production increases could be less than the current forecast.

OPEC Supply. OPEC crude oil production averaged about 32.2 million bbl/d during the first quarter of 2008. Only Saudi Arabia has significant surplus production capacity, currently estimated to be about 1.9 million bbl/d. OPEC crude oil production is expected to remain relatively flat through the third quarter of 2008, though there is the possibility of either higher or lower output in Iraq and Nigeria, depending on how the security situation in each country evolves. EIA expects that OPEC surplus production capacity will not grow significantly until the end of 2008 and will stay concentrated in Saudi Arabia (OPEC Surplus Oil Production Capacity).

Inventories. OECD commercial inventories at the end of the first quarter stood at an estimated 2.54 billion barrels, 22 million barrels above the previous 5-year average level. OECD inventories recorded a seasonal decline during the first quarter of roughly 0.3 million bbl/d, about 0.1 million bbl/d less than the average withdrawal rate during the first quarter. EIA's projected balances suggest that total OECD commercial inventories likely will remain near average levels for the rest of the year (Days of Supply of OECD Commercial Stocks).

U.S. Petroleum

Production. In 2007, domestic crude oil output averaged 5.1 million bbl/d, unchanged from 2006 (U.S. Crude Oil Production). Total output in 2008 is projected to grow by only 10,000 bbl/d. In 2009, domestic crude oil production is projected to average 5.3 million bbl/d, up 210,000 bbl/d from 2008. Federal Gulf of Mexico output is expected to rise by 260,000 bbl/d but declines are projected for Alaska (30,000 bbl/d) and the lower-48 States (20,000 bbl/d).

Consumption. Total petroleum consumption of liquid fuels and other petroleum products averaged 20.7 million bbl/d in 2007, essentially unchanged from 2006 (U.S. Petroleum Products Consumption Growth). Based on projections of weak economic growth and record high crude oil and product prices, consumption is projected to decline by 190,000 bbl/d in 2008, a sharper drop than the 90,000 bbl/d decline projected in the previous *Outlook*. After accounting for projected increases in ethanol use, U.S. petroleum consumption is projected to fall by 330,000 bbl/d. In 2009, total petroleum and other liquid fuel consumption is projected to rise by 210,000 bbl/d.

Prices. WTI crude oil prices, which averaged $72.32 per barrel in 2007 (Crude Oil Prices), are projected to average $110 per barrel in 2008, up about $9 per barrel from the projection in last month's *Outlook*, and $103 per barrel in 2009, up about $11 per barrel from the previous *Outlook*.

EIA projects regular-grade motor gasoline retail prices, which averaged $2.81 per gallon in 2007, to average $3.52 per gallon this year, up 16 cents from last month's *Outlook*. The motor gasoline price is expected to average $3.66 over this summer (April through September). These projections reflect our assumption of a sizable narrowing of refiner gasoline margins from last year, attributable to weakness in gasoline demand and growth in ethanol supply. In 2009, regular-grade gasoline retail prices are projected to average $3.44 per gallon, 20 cents higher than in the previous *Outlook*.

Diesel fuel retail prices in 2008 are projected to average $3.94 per gallon, up from $2.88 per gallon last year. This reflects global strength in diesel demand that is contributing to a widening of the margin between diesel prices and crude oil costs since last year. Retail diesel prices are projected to average $3.67 per gallon in 2009.

Natural Gas

Consumption. Total natural gas consumption is expected to increase by 1.4 percent in 2008 and by 0.5 percent in 2009 (Total U.S. Natural Gas Consumption Growth). The residential and commercial sectors are expected to lead consumption growth in 2008 because of the projected 5.4-percent increase in heating degree-days compared with 2007. In contrast, the projected 12.4-percent decline in cooling degree-days from the warm summer of 2007 is expected to leave consumption of natural gas in the electric power sector relatively unchanged. Finally, the declining real value of the U.S. dollar and some recovery in the fertilizer market are expected to contribute to slight growth in industrial sector output and natural gas consumption in both 2008 and 2009.

Production and Imports. Total U.S. marketed natural gas production is expected to increase by 4.6 percent in 2008, then decline by 1.1 percent in 2009. Despite current repairs at the Independence Hub, production from the Federal Gulf of Mexico is expected to increase by 4.2 percent in 2008. Sustained high rig counts in the lower-48 onshore region are expected to lead to an increase in onshore production of 4.9 percent in 2008.

Through the first 4 months of 2008 liquefied natural gas (LNG) imports totaled an estimated 115 Bcf, considerably lower than the import total of 283 Bcf at this time last year. The shift of LNG away from the United States this year results from higher prices available to LNG suppliers for deliveries to both the Asia-Pacific region and Europe. Although EIA still expects significant additions to world LNG productive capacity through 2009, recent delays in bringing new liquefaction projects to full operational capacity and current high demand in other parts of the world will continue to constrain LNG shipments to the United States. In 2007, LNG imports totaled 771 Bcf. The 2008 LNG import forecast is revised downward to 580 Bcf from 680 Bcf in last month's *Outlook*.

Inventories. As of April 25, 2008, working natural gas in storage was 1,371 Bcf (U.S. Working Natural Gas in Storage), 3 Bcf below the 5-year average (2003-2007), and 255 Bcf below the level during the corresponding week last year.

Prices. The Henry Hub spot price averaged $10.49 per Mcf in April, $0.74 per Mcf above the average March spot price. Continuing cool weather (heating degree-days were 6 percent higher than normal in April), sagging imports of LNG, lower inventories, and higher oil prices have all contributed to the recent strength in spot prices. Uncertainty over natural gas demand by the electric power sector during the summer and the possibility of hurricane-related supply disruptions later this year could impact spot prices in the coming months. On an annual basis, the Henry Hub spot price is expected to average $9.69 per Mcf in 2008 and $9.41 per Mcf in 2009, increases of $1.10 and $1.09 per Mcf, respectively, from last month's *Outlook*.

Electricity

Consumption. Total electricity consumption is expected to grow by only 0.6 percent in 2008 and then by 1.2 percent in 2009 (U.S. Total Electricity Consumption). Although natural-gas-fired power generation has experienced double-digit growth rates over the last few years, growth is expected to be relatively flat this year due to National Oceanic and Atmospheric Administration (NOAA) projections that summer temperatures will fall back to near-normal levels.

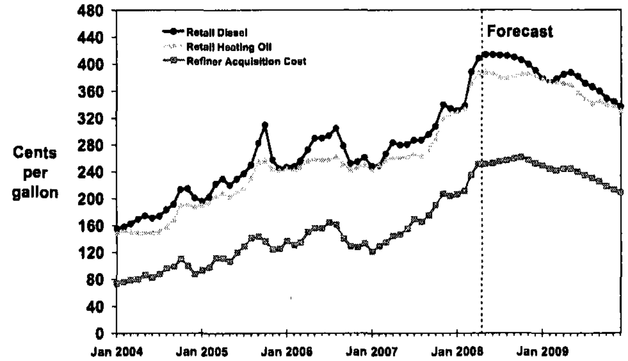
Prices. Residential electricity prices are expected to increase by 3.1 percent this year and then grow by 3.4 percent in 2009, slightly higher than the increases in last month's *Outlook*, primarily as a result of the increase in fuel costs (U.S. Residential Electricity Prices). If summer temperatures exceed the current projections, increased electricity load during peak periods will raise the proportion of generation fueled by natural gas. That, in turn, could result in price increases for natural gas to electric generators and ultimately higher prices for electricity customers.

Coal

Consumption. Electric-power-sector coal consumption grew by 1.9 percent in 2007. Slow growth in electricity consumption, combined with increases in hydroelectric and wind generation, are expected to limit growth in electric-power-sector coal consumption to 0.6 percent in 2008. Electric-power-sector coal consumption growth is projected to remain flat in 2009 (U.S. Coal Consumption Growth).

Production and Inventories. U.S. coal production (U.S. Coal Production) is estimated to have fallen by 1.5 percent in 2007. Growing demand for coal will contribute to a 1.1-percent increase in coal production in 2008. In the Western region, the Nation's largest coal-producing region, production is expected to increase by 1.9 percent in 2008, but remain unchanged in 2009. Total coal stocks are estimated to have grown by 1.3 percent in 2007 to 189 million short tons.

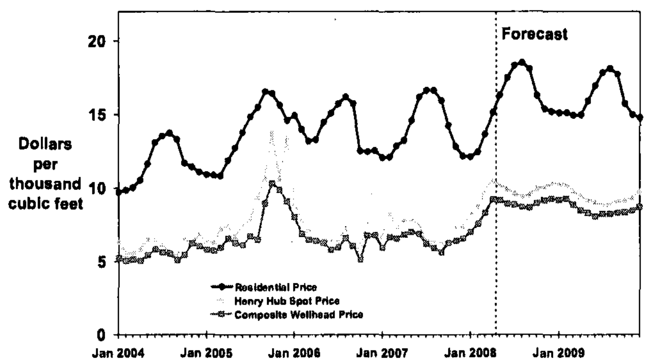
U.S. Distillate Fuel Prices



Retail prices include State and Federal taxes

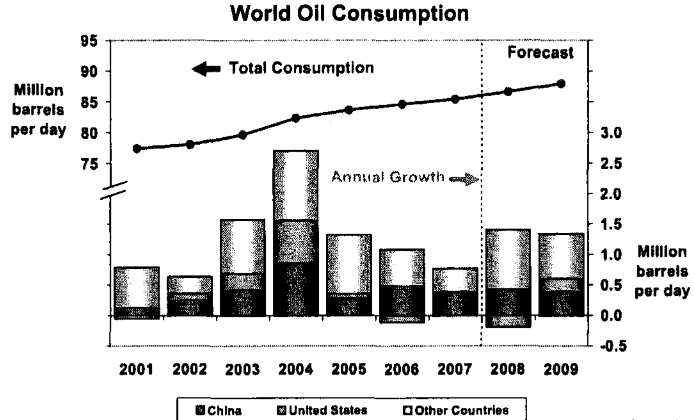
Short-Term Energy Outlook, May 2008

Natural Gas Prices

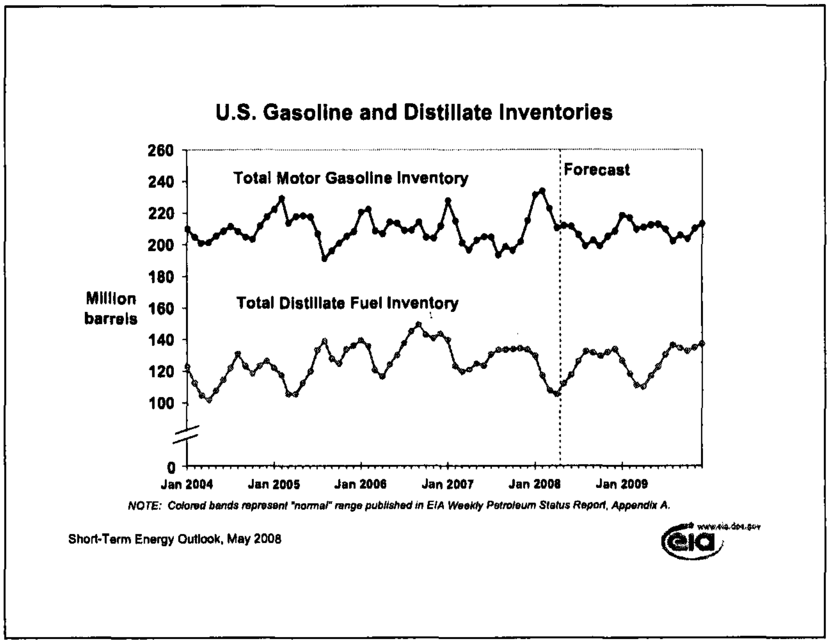


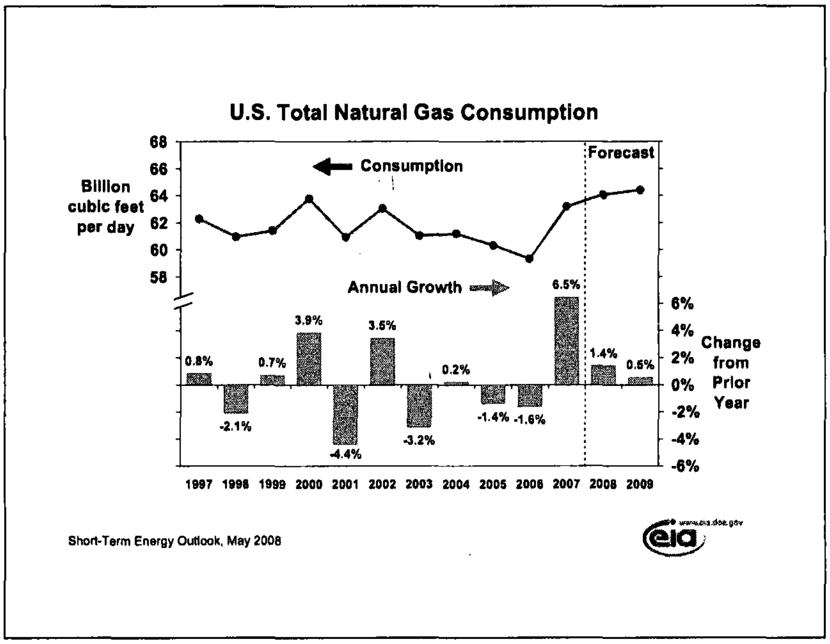
Short-Term Energy Outlook, May 2008

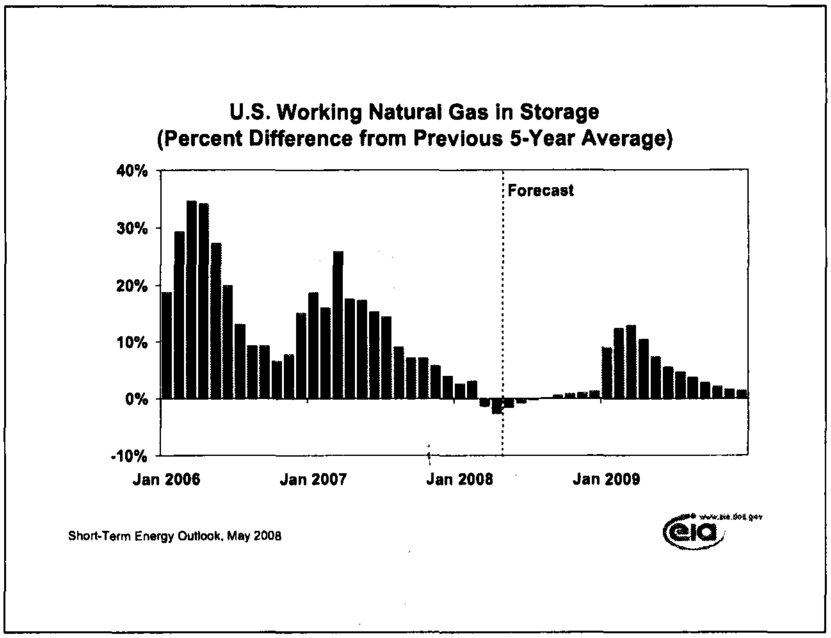
World Oil Consumption



Short-Term Energy Outlook, May 2008


U.S. Gasoline and Distillate Inventories
Total Motor Gasoline Inventory
Forecast
Total Distillate Fuel Inventory
Million barrels
260
240
220
200
180
160
140
120
100
0
Jan 2004
Jan 2005
Jan 2006
Jan 2007
Jan 2008
Jan 2009
NOTE: Colored bands represent "normal" range published in EIA Weekly Petroleum Status Report, Appendix A.
Short-Term Energy Outlook, May 2008
eia


U.S. Total Natural Gas Consumption
Consumption
Forecast
Billion cubic feet per day
68
66
64
62
60
58
Annual Growth
6.5%
3.9%
3.5%
0.8%
0.7%
0.2%
1.4%
0.5%
-2.1%
-4.4%
-3.2%
-1.4%
-1.6%
6%
4%
2%
0%
-2%
-4%
-6%
Change from Prior Year
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
Short-Term Energy Outlook, May 2008
eia


U.S. Working Natural Gas in Storage
(Percent Difference from Previous 5-Year Average)
Forecast
40%
30%
20%
10%
0%
-10%
Jan 2006
Jan 2007
Jan 2008
Jan 2009
Short-Term Energy Outlook, May 2008
eia

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS TARIFF SHEET
NORTH DAKOTA GAS
EFFECTIVE JUNE 2008

	Firm			
	Residential & General Service	Optional Seasonal	Small & Large Interruptible	Air Force Interruptible
Gas Cost Adjustment:				
Gas Cost Level (Exhibit B)	$10.756	$9.926	$9.843	$9.799
Prior Gas Cost	9.523	9.602	8.628	8.589
Current Gas Cost Adjustment	$1.233	$0.324	$1.215	$1.210
Surcharge Adjustment:				
Current Adjustment	($0.233)	($0.233)	($0.416)	($0.135)
Prior Adjustment	(0.233)	(0.233)	(0.416)	(0.135)
Change in Surcharge Adjustment	$0.000	$0.000	$0.000	$0.000
Margin Sharing Provision				
Current Adjustment	($0.009)	($0.009)	$0.000	$0.000
Prior Adjustment	(0.009)	(0.009)	0.000	0.000
Change in Margin Sharing Provision	$0.000	$0.000	$0.000	$0.000
Net Increase (Decrease) in Gas Costs	**$1.233**	**$0.324**	**$1.215**	**$1.210**
Gas Cost Level	$10.756	$9.926	$9.843	$9.799
Plus: Surcharge	(0.233)	(0.233)	(0.416)	(0.135)
Total Gas Cost Level in Tariff Rates	$10.523	$9.693	$9.427	$9.664

MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
RESIDENTIAL AND GENERAL SERVICE
EFFECTIVE JUNE 2008

	Amount
Total Gas Costs 1/	$147,405,650
Residential and General Service dk Requirements 2/	13,766,086
Average Cost of Gas per dk	$10.708
Average Cost of Gas as Adjusted for Losses @ 99.55%	10.756
Less: Gas Cost Level in Rates 3/	9.523
Current Gas Cost Adjustment	**$1.233**

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 5 -13 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit C.

2/ Normalized dk sales for the twelve months ended March 31, 2008, adjusted for losses at .45%.

3/ Gas Cost Level in Current Tariff Rates Case No. PU-08-156:

Cost of Purchased Gas	$9.480
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	$9.523

MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
OPTIONAL SEASONAL - RATE 72
EFFECTIVE JUNE 2008

Summer - June - September	
Total Gas Costs 1/	$147,405,650
Less: Annual MDDQ Costs 1/	11,383,621
Total Gas Costs excluding MDDQ	$136,022,029
Firm Service Requirements 1/	13,766,086
Other Gas Costs per Dk (excluding MDDQ)	$9.881
Summer Seasonal Rate, adjusted for losses 2/	9.926
Less: Gas Cost Level in Rates 3/	9.602
Current Gas Cost Adjustment	**$0.324**
Winter - October - May	
Annual MDDQ Costs 1/	$11,383,621
Winter Firm Service Requirements	12,550,691
MDDQ Costs per Winter Dk	$0.907
Add: Other Gas Costs per Dk	9.881
Winter Seasonal Rate	10.788
Winter Seasonal Rate, adjusted for losses 2/	$10.837

1/ Exhibit B, page 1.
2/ Loss factor of .45%.
3/ Gas Cost Level in Current Tariff Rates Case No. PU-08-156:

	Summer	Winter
Cost of Purchased Gas	$8.660	$9.559
Adjustment for Distribution Losses	0.9955	0.9955
Gas Cost Level in Base Tariff Rates	$8.699	$9.602

MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
INTERRUPTIBLE
EFFECTIVE JUNE 2008

	Amount
Total Gas Costs 1/	$34,322,296
Interruptible Service dk Requirements	3,502,739
Average Cost of Gas per dk	$9.799
Average Cost of Gas as Adjusted for Losses @ 99.55%	9.843
Less: Gas Cost Level in Rates 2/	8.628
Current Gas Cost Adjustment	**$1.215**

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 5 -13 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit C, allocated to interruptible on MDDQ.

2/ Gas Cost Level in Current Tariff Rates Case No. PU-08-156:

Cost of Purchased Gas	$8.589
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	$8.628

MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
AIR FORCE INTERRUPTIBLE
EFFECTIVE JUNE 2008

	Amount
Total Gas Costs 1/	$8,622,829
Air Force Interruptible dk Requirements	880,000
Average Cost of Gas per dk	$9.799
Less: Gas Cost Level in Rates 2/	8.589
Current Gas Cost Adjustment	**$1.210**

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 5 -13 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit C, allocated to Air Force interruptible on MDDQ.

2/ Gas Cost Level in Current Tariff Rates Case No. PU-08-156:
Cost of Purchased Gas $8.589

Montana-Dakota Utilities Co.
Schedule of Applicable Effective Pipeline Rates
June 2008 PGA

Williston Basin Interstate Pipeline Company - Exhibit B, pages 6 - 8 for Schedules FT-1, FTN-1, and FS-1.

Northern Border Pipeline Company – Exhibit B, pages 9-10 for Schedule T-1.

Foothills Pipe Lines, Ltd. - Billed on a cost of service basis so there are no tariff sheets.

NOVA Gas Transmission – Exhibit B, page 11 for Schedule FT-D.

Kinder Morgan, Inc. (f/k/a Northern Gas Company) – Contract rate so there are no tariff sheets.

NorthWestern Energy – Exhibit B, page 12 for Schedule T-FTG-1.

South Dakota Intrastate Pipeline – Exhibit B, page 13 for Rate 1.

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	ACA SURCHARGE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
RATE SCHEDULE FT-1						
RESERVATION CHARGE						
MAXIMUM DAILY DELIVERY QUANTITY (MDDQ)						
MAXIMUM	RATE PER EQV. DKT PER MO.	737.928	N.A.	N.A.	N.A.	737.928
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	N.A.	0.000
COMMODITY CHARGE						
MAXIMUM A/B/	RATE PER DKT	3.120	0.190	N.A.	N.A.	3.310
MINIMUM A/B/	RATE PER DKT	3.120	0.190	N.A.	N.A.	3.310
SCHEDULED OVERRUN CHARGE						
MAXIMUM A/B/	RATE PER DKT	30.884	0.190	N.A.	N.A.	31.074
MINIMUM A/B/	RATE PER DKT	3.120	0.190	N.A.	N.A.	3.310

A/ SHIPPER MUST REIMBURSE TRANSPORTER IN-KIND FOR TRANSPORTATION FUEL USE, LOST AND UNACCOUNTED FOR GAS. THE APPLICABLE PERCENTAGE IS 2.594%, CONSISTING OF 2.467 % FOR THE CURRENT PERCENTAGE AND 0.127% FOR THE DEFERRAL PERCENTAGE. THIS PERCENTAGE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S TRANSMISSION FACILITIES.

B/ SHIPPER MUST REIMBURSE TRANSPORTER FOR ELECTRIC POWER USED FOR TRANSPORTATION. THE APPLICABLE RATE IS 0.224 CENTS, CONSISTING OF 0.299 CENTS FOR THE CURRENT RATE AND (0.075) CENTS FOR THE DEFERRAL RATE. THIS RATE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S TRANSMISSION FACILITIES.

Williston Basin Interstate Pipeline Company
FERC Gas Tariff
Second Revised Volume No. 1

Tenth Revised Sheet No. 17
Superseding
Ninth Revised Sheet No. 17

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	ACA SURCHARGE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
RATE SCHEDULE FTN-1						
RESERVATION CHARGE						
MAXIMUM DAILY DELIVERY QUANTITY (MDDQ)						
MAXIMUM	RATE PER EQV. DKT PER MO.	47.491	N.A.	N.A.	N.A.	47.491
MINIMUM	RATE PER EQV. DKT PER MO.	1.589	N.A.	N.A.	N.A.	1.589

Issued by: Keith A. Tiggelaar - Director of Regulatory Affairs
Issued on: May 19, 2005 Effective on: April 19, 2005
Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP00-107, et al., issued April 19, 2005

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	ACA SURCHARGE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
RATE SCHEDULE FS-1						
CAPACITY RESERVATION						
MAXIMUM	RATE PER EQV. DKT PER MO.	2.102	N.A.	N.A.	N.A.	2.102
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	N.A.	0.000
CAPACITY DELIVERABILITY						
MAXIMUM	RATE PER EQV. DKT PER MO.	190.602	N.A.	N.A.	N.A.	190.602
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	N.A.	0.000
INJECTION						
MAXIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	N.A.	0.888
MINIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	N.A.	0.888
WITHDRAWAL						
MAXIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	N.A.	0.888
MINIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	N.A.	0.888
SCHEDULED OVERRUN CHARGE						
INJECTION						
MAXIMUM A/B/	RATE PER DKT	23.920	N.A.	N.A.	N.A.	23.920
MINIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	N.A.	0.888
WITHDRAWAL						
MAXIMUM A/B/	RATE PER DKT	23.920	N.A.	N.A.	N.A.	23.920
MINIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	N.A.	0.888

A/ SHIPPER MUST REIMBURSE TRANSPORTER IN-KIND FOR STORAGE FUEL USE, LOST AND UNACCOUNTED FOR GAS. THE APPLICABLE PERCENTAGE IS 0.372%, CONSISTING OF 0.507% FOR THE CURRENT PERCENTAGE AND (0.135%) FOR THE DEFERRAL PERCENTAGE. THIS PERCENTAGE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS INJECTED AND/OR WITHDRAWN BY TRANSPORTER FOR SHIPPER'S ACCOUNT AT TRANSPORTER'S STORAGE FACILITIES.

B/ SHIPPER MUST REIMBURSE TRANSPORTER FOR ELECTRIC POWER USED FOR STORAGE. THE APPLICABLE RATE IS 0.079 CENTS, CONSISTING OF 0.031 CENTS FOR THE CURRENT RATE AND 0.048 CENTS FOR THE DEFERRAL RATE. THIS RATE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS INJECTED AND/OR WITHDRAWN BY TRANSPORTER FOR SHIPPER'S ACCOUNT AT TRANSPORTER'S STORAGE FACILITIES.

Northern Border Pipeline Company
FERC Gas Tariff
First Revised Volume No. 1

Seventh Revised Sheet No. 98
Superseding
Sixth Revised Sheet No. 98

STATEMENT OF RATES
2/ 3/

Rate Schedule	Long-Term Base Tariff Rate (per 100 Dth-Miles) 1/
T-1 and T-1B	
Daily Reservation Rate - Port of Morgan, MT to Ventura, IA	
Maximum	$0.0321
Minimum	$0.0000
Daily Reservation Rate - Ventura, IA to North Hayden, IN	
Maximum	$0.0345
Minimum	$0.0000
Commodity Rate - Port of Morgan, MT to North Hayden, IN	
Maximum	$0.0004
Minimum	$0.0004

1/ Applicable to any Rate Schedule T-1 U.S. Shippers Service Agreement or any Rate Schedule T-1B Service Agreement with a primary term of at least twelve consecutive months.
2/ The Settlement Base Rates, pursuant to the Stipulation at Docket No. RP06-72-000, et al., remain in effect until such rates are superseded by new base rates placed into effect consistent with the provisions of the Stipulation.
3/ Rates on this sheet are subject to the revenue retrieval provision pursuant to Article X of the Stipulation at Docket No. RP06-72-000, et al.

Issued by: Raymond D. Neppl, Vice President
Issued on: November 21, 2006 Effective on: January 1, 2007
Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP06-72-000, issued November 21, 2006, 17 FERC ¶ 61,217

Northern Border Pipeline Company
FERC Gas Tariff
First Revised Volume No. 1

Substitute Tenth Revised Sheet No. 99
Superseding
Ninth Revised Sheet No. 99

STATEMENT OF RATES

Commodity

Rate

Annual Charge Adjustment (ACA) Rate (per Dekatherm) 1/
$0.0019

Compressor Usage Surcharge (per 100 Dekatherm-miles) 2/
$0.0020

1/ In accordance with the Commission's regulations, the authorized FERC unit charge per dekatherm is applied to physical transportation deliveries and is applicable to all transportation rate schedules. Pursuant to Section 16 of the General Terms and Conditions herein, the ACA is effectively charged at a rate of $0.0002 per 100 Dekatherm-miles.

2/ Rate is charged in accordance with Section 45 of the General Terms and Conditions.

Service	Rates, Tolls and Charges
1. Rate Schedule FT-R	Refer to Attachment "1" for applicable FT-R Demand Rate per month & Surcharge for each Receipt Point Average Firm Service Receipt Price (AFSRP) $168.24/$10^3m^3$
2. Rate Schedule FT-RN	Refer to Attachment "1" for applicable FT-RN Demand Rate per month & Surcharge for each Receipt Point
3. Rate Schedule FT-D	FT-D Demand Rate per month $ 4.45/GJ
4. Rate Schedule STFT	STFT Bid Price. Minimum bid of 100% of FT-D Demand Rate
5. Rate Schedule FT-DW	FT-DW Bid Price. Minimum bid of 125% of FT-D Demand Rate
6. Rate Schedule FT-A	FT-A Commodity Rate $ 0.48/10^3m^3
7. Rate Schedule FT-P	Refer to Attachment "2" for applicable FT-P Demand Rate per month
8. Rate Schedule LRS	Contract Term — Effective LRS Rate ($/$10^3m^3$/day) 1-5 years — 10.08 6-10 years — 8.42 15 years — 7.55 20 years — 6.71
9. Rate Schedule LRS-2	LRS-2 Rate per month $50,000
10. Rate Schedule LRS-3	LRS-3 Demand Rate per month $129.55/$10^3m^3$
11. Rate Schedule IT-R	Refer to Attachment "1" for applicable IT-R Rate & Surcharge for each Receipt Point
12. Rate Schedule IT-D	IT-D Rate $ 0.1606/GJ
13. Rate Schedule FCS	The FCS Charge is determined in accordance with Attachment "1" to the applicable Schedule of Service
14. Rate Schedule PT	Schedule No — PT Rate — PT Gas Rate 9006-01000-0 — $ 67.22/d — 1.0 10^3m^3/d
15. Rate Schedule OS	Schedule No. — Charge 2003034359-2 — $ 899.00 / month 2007262666-1 — $ 434.00 / month 2006253651-1 — $ 11.00 / month 2007262711-1 — $ 6.00 / month 2007262709-1 — $ 303.00 / month 2007262728-1 — $ 859.00 / month 2007262705-1 — $ 1,220.00 / month 2007263949-1 — $ 46.00 / month 2007262175-1 — $ 438.00 / month 2007262669-1 — $ 95.00 / month 2007262602-1 — $ 4.00 / month 2007262701-1 — $ 9.00 / month 2007262727-1 — $ 17.00 / month 2007262698-1 — $ 43.00 / month 2007262609-1 — $ 7.00 / month 2007262668-1 — $ 19.00 / month 2007262697-1 — $ 1,760.00 / month 2007263948-1 — $ 90.00 / month 2003004522-2 — $ 83,333.00 / month
16. Rate Schedule CO_2	Tier — CO_2 Rate ($/$10^3m^3$) 1 — 630.10 2 — 503.07 3 — 349.65

NATURAL GAS TARIFF

NorthWestern Energy

	13th	Revised	Sheet No.	80.1
Canceling	12th	Revised	Sheet No.	80.1

Schedule No. T-FTG-1

TRANSPORTATION BUSINESS UNIT
FIRM TRANSPORTATION NATURAL GAS SERVICE

APPLICABILITY: Applicable to Shippers for firm transportation service on the Utility Transmission System under the terms of a Firm Gas Transportation Service Agreement (Agreement) between the Utility Transportation Business Unit (Utility) and Shipper and as subject to Rate Schedule General Terms and Operating Conditions (Rate Schedule GTC-1).

RATES: Net Monthly Bill:

Monthly Service Charge per Meter:

Meters Rated @ Cu. Ft. per hour	Per Meter Charge	
5,001 to 10,000	$ 102.65	(I)
10,001 to 30,000	$ 147.60	(I)
>30,000	$ 327.50	(I)

PLUS:

Transmission Reservation Rate (Monthly Rate per MDDQ):

Maximum Monthly Reservation Rate for Maximum Daily Delivery Quantity (MDDQ)	$ 8.392279	(I)

Transmission Commodity Rate (Monthly Rate per Dkt):

Maximum	$ 0.063595	(I)
Minimum	$ 0.017935	(I)
GTAC Amortization	$ 0.028297	
Balancing Penalty Rate	Higher of $25.00 / Dkt. Or 150% of Market Price	

PLUS:

OTHER APPLICABLE CHARGES: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

GAS TRANSPORTATION ADJUSTMENT CLAUSE: Pursuant to MPSC Order the above GTAC Amortization shall be in effect until the balance is extinguished.

MINIMUM BILL: Per respective contracts.

(continued)

GAS RATE SCHEDULE

South Dakota Intrastate Pipeline Company
1415 N. Airport Rd
Pierre, SD 57501
e Filed: January 24, 2001

SD P.U.C. Section No. 3
Original Sheet No. 1

Effective Date: January 10, 2001

TRANSPORTATION SERVICE Rate 1

Transportation rate is $2.398 per dekatherm.

Issued By: Lisa A. Murphy, Vice President-Chief Financial Officer

STATE OF SOUTH DAKOTA
GAS RATE SCHEDULE

South Dakota Intrastate Pipeline Company

SD P.U.C. Section No. 4

MONTANA-DAKOTA UTILITIES CO.
RETURN ON CYCLE STORAGE BALANCES
AND PREPAID DEMAND AND COMMODITY BALANCES
NORTH DAKOTA GAS
EFFECTIVE JUNE 2008

	General Service		
	Storage Balance 1/	Prepaid Commodity Balance 2/	Prepaid Demand
October 2007	$15,582,989	$652,377	$3,076,642
November	14,327,247	529,819	2,499,237
December	8,196,719	340,577	1,203,224
January 2008	936,990	99,099	(353,779)
February	(4,803,619)	(96,346)	(1,345,417)
March	(7,360,978)	(210,721)	(1,927,291)
April	(7,591,995)	(237,552)	(1,746,331)
May	(5,671,120)	(143,637)	(1,033,965)
June	(1,256,877)	59,106	(50,626)
July	3,654,295	285,851	971,113
August	8,583,901	508,483	1,973,490
September	14,533,525	1,082,043	2,766,586
October	18,393,546	1,202,052	3,024,363
13 month average	$4,424,971	$313,165	$696,711
Rate of Return	8.791%	8.791%	8.791%
Return	$388,999	$27,530	$61,248
Return Requirement - Revenue	$644,145	$45,587	$101,421

1/ Monthly balance from SENDOUT Model, allocated to North Dakota on ratio of storage capacity MDDQ.

2/ Monthly balance allocated to North Dakota on sales volumes.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
FIRM

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change-Additions less Adjustment	Cumulative Balance
Balance @ July 31, 2007									**($3,168,783)**
August	($1,558,884)	$0	($11,057)	($1,569,941)	259,098	$0.111	$28,760	($1,598,701)	(4,767,484)
September	(892,843)	0	(15,499)	(908,342)	279,608	0.111	31,037	(939,379)	(5,706,863)
October	(119,804)	0	(18,626)	(138,430)	482,413	(0.233)	(112,360) 2/	(26,070)	(5,732,933)
November	1,062,491	0	(15,628)	1,046,863	950,041	(0.233)	(221,360)	1,268,223	(4,464,710)
December	2,940,869	(840,039) 3/	(11,052)	2,089,778	1,836,296	(0.233)	(427,857)	2,517,635	(1,947,075)
January 2008	2,832,820	0	(4,210)	2,828,610	2,394,593	(0.233)	(557,940)	3,386,550	1,439,475
February	492,452	0	1,863	494,315	2,526,168	(0.233)	(588,597)	1,082,912	2,522,387
March	380,197	0	1,843	382,040	1,936,920	(0.233)	(451,302)	833,342	3,355,729
Balance @ March 31, 2008									**$3,355,729**

1/ Interest calculated at 90 day Treasury Note rate.
2/ Reflects 121.6 Dk @ $0.111 and 482,290.1 @ ($0.233).
3/ Reflects reallocation of gas commodity to correct allocation of storage gas.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
Balance @ July 31, 2007									**($383,071)**
August	($226,040)	$0	($1,348)	($227,388)	27,533	($0.279)	($7,682)	($219,706)	(602,777)
September	(269,369)	0	(1,972)	(271,341)	42,600	(0.279)	(11,885)	(259,456)	(862,233)
October	(5,122)	0	(2,836)	(7,958)	31,574	(0.416)	(13,135)	5,177	(857,056)
November	(9,945)	0	(2,354)	(12,299)	55,502	(0.416)	(23,088)	10,789	(846,267)
December	(3,497)	570,270 2/	(2,125)	564,648	70,922	(0.416)	(29,504)	594,152	(252,115)
January 2008	123,903	0	(564)	123,339	94,656	(0.416)	(39,377)	162,716	(89,399)
February	2,879	0	(92)	2,787	110,067	(0.416)	(45,788)	48,575	(40,824)
March	(11,997)	0	(21)	(12,018)	86,347	(0.416)	(35,921)	23,903	(16,921)
Balance @ March 31, 2008									**($16,921)**

1/ Interest calculated at 90 day Treasury Note rate.
2/ Reflects reallocation of gas commodity to correct allocation of storage gas.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
AIR FORCE

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change-Additions less Adjustment	Cumulative Balance
Balance @ July 31, 2007									**($114,724)**
August	($121,440)	$0	($397)	($121,837)	14,865	($0.123)	($1,828)	($120,009)	(234,733)
September	(98,822)	0	(765)	(99,587)	15,725	(0.123)	(1,934)	(97,653)	(332,386)
October	(1,386)	0	(1,090)	(2,476)	9,269	(0.135)	(1,251)	(1,225)	(333,611)
November	(26,111)	0	(913)	(27,024)	43,334	(0.135)	(5,850)	(21,174)	(354,785)
December	5,119	23,573 2/	(890)	27,802	73,394	(0.135)	(9,908)	37,710	(317,075)
January 2008	122,482	0	(728)	121,754	103,171	(0.135)	(13,928)	135,682	(181,393)
February	(5,543)	0	(204)	(5,747)	103,790	(0.135)	(14,012)	8,265	(173,128)
March	(9,571)	0	(116)	(9,687)	105,006	(0.135)	(14,176)	4,489	(168,639)
Balance @ March 31, 2008									**($168,639)**

1/ Interest calculated at 90 day Treasury Note rate.
2/ Reflects reallocation of gas commodity to correct allocation of storage gas.