



UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

December 1, 2017

Executive Secretary
North Dakota Public Service Commission
State Capitol
Bismarck, ND 58505-0480

Re: Case No. PU-16-666
Electric Rate Increase
Compliance – Update on Discounted
Rate Contracts

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits this second update to the North Dakota Public Service Commission (Commission) regarding the Company's electric discounted rate contracts. On September 27, 2017, Montana-Dakota filed an update with the Commission on the Company's discounted rate contracts in compliance with the Settlement Agreement between Montana-Dakota, the Advocacy Staff of the Commission, and the AARP and approved by the Commission on June 16, 2017. In its September 27 update, Montana-Dakota stated it would provide an update regarding customer discussions and necessary contract replacements or amendments no later than December 1, 2017.

Since the September 27 update, Montana-Dakota has met with each customer to discuss their current and future operations and the rate options available to each customer going forward. The discussions are ongoing at this time, but continue to progress towards new agreements. The Company's expectation is that new replacement or amended agreements will be filed with the Commission for approval no later than March 15, 2018.

Please contact me at 701.222.7856 if you have any questions regarding this required update regarding contract rates.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto.

Sincerely,

A handwritten signature in blue ink that reads 'Tamie A. Aberle'.

Tamie A. Aberle
Director of Regulatory Affairs