CASCADE NATURAL GAS CORPORATION®

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January 11, 2008

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

Dear Ms. Washburn:

According to Commitment 8 of the MDU/Cascade Natural Gas Merger Stipulation, approved by the Commission in Docket UG-0617217 Order 6, Cascade is required to:

"…. notify the Commission subsequent to MDU Resources' board approval and as soon as practicable following any public announcement of: (1) any acquisition of a regulated or unregulated business representing 5 percent or more of the capitalization of MDU Resources….."

Attached is a copy of the press release regarding Fidelity Exploration & Production Company, an MDU Resources Group subsidiary, which is acquiring natural gas properties in Rusk County, Texas. The company believes that this transaction may meet the 5% threshold included in Commitment 8 discussed above. Cascade does not have any transactions with Fidelity, nor EnerVest, Ltd., whom the properties are being purchased from. Therefore, this transaction will not have an impact on Cascade or its operations.

If there are any questions regarding this informational filing, please contact me at (206) 381-6824.

Sincerely,

Katherine J Barnard

Katherine J. Barnard
Sr. Director - Regulatory Affairs

Cc: Gene Waas
Ken Elgin

January 8, 2008

MDU Resources Announces Agreement to Purchase East Texas Natural Gas Production Assets
Bismarck, ND

MDU Resources Group, Inc. (NYSE:MDU) announced that its indirect wholly owned subsidiary, Fidelity Exploration & Production Company (Fidelity), signed a purchase and sale agreement on Jan. 4, 2008, to acquire natural gas properties located in Rusk County, Texas.

The agreement includes the purchase of 97 billion cubic feet equivalent (Bcfe) of proven reserves and 36 Bcfe of estimated probable reserves. Current net production from these assets is approximately 17.5 million cubic feet equivalent per day. The purchase price for these properties is $235 million, or $2.42 per thousand cubic feet equivalent of proven reserves, subject to accounting and purchase price adjustments customary with acquisitions of this type. The effective date of the acquisition is January 1, 2008, with the expected closing date to occur on or before January 31, 2008.

These assets are being purchased from EnerVest, Ltd. and certain of its affiliated parties and co-venturers. Fidelity will be the operator of the newly acquired assets and expects to drill approximately 25 wells in 2008 to further develop the properties. The acquisition is expected to be accretive to 2008 earnings per share and financed through a combination of internal funds and other borrowings.

Fidelity's projected growth for natural gas and oil production in 2008 was previously forecasted to be in the range of 5 percent to 8 percent. Pending the successful close of this transaction, 2008 production is expected to increase in the range of 12 percent to 16 percent over 2007 production levels. Meeting these targets will depend on the timely receipt of regulatory approvals and the success of exploration activities.

"This acquisition is in an area where we have experience and fits well with our existing operations. These lower risk development properties strengthen our strategy of having a balanced portfolio of assets and add production in an actively developing area," said Terry D. Hildestad, president and chief executive officer of MDU Resources. "There is long-term development potential within these high-quality proven reserves and upside potential from the unproven reserves. Combined with our active exploratory programs in the Bakken Play in North Dakota and the Paradox Basin in Utah, we expect to be well-positioned for the future."

The information in this release includes certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. The forward-looking statements contained in this release, including statements by the president and chief executive officer of MDU Resources and those with respect to the anticipated effect of the transaction upon earnings per share, are expressed in good faith and are believed by the company to have a reasonable basis. Nonetheless, actual results may differ materially from the projected results expressed in the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include the ability to effectively integrate the acquired properties; the satisfaction of closing conditions; fluctuations in natural gas and crude oil prices; fluctuations in commodity price basis differentials; drilling successes in natural gas and oil operations; the timely receipt of necessary permits and approvals; the ability to contract for or to secure necessary drilling rig contracts and to retain employees to drill for and develop reserves; other risks incidental to the operation of natural gas and oil wells; and the effects on operations of extensive environmental laws and regulations. For a discussion of other important factors that could cause actual results to differ materially from those expressed in the forward-looking statements, refer to Item 1A – Risk Factors in MDU Resources' most recent Form 10-K, Form 10-Q and the company's December 4, 2007, Form 8-K.

MDU Resources Group, Inc., a member of the S&P MidCap 400 index, provides value-added natural resource products and related services that are essential to energy and transportation infrastructure, operating in three core lines of business: energy, construction materials and utility resources. MDU Resources includes natural gas and oil production, natural gas pipelines and energy services, construction materials and mining, construction services, and electric and natural gas utilities. For more information about MDU Resources, see the company's Web site at www.mdu.com or contact the Investor Relations Department at investor@mduresources.com.

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