



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

March 22, 2012

Ms. Kate Whitney, Administrator
Utility Division
Montana Public Service Commission
1701 Prospect Avenue
Helena, MT 59620

RE: Renewable Resource Standard
Annual Report- Compliance Year 2011

Dear Ms. Whitney:

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (Montana-Dakota), herewith submits an original and ten copies of its Annual Report marked as Attachment A, regarding compliance with the Renewable Energy Resource Standard pursuant to 69-3-2004 MCA utilizing the Commission's 2011 Renewable Portfolio Standard Compliance Form.

Montana-Dakota's electric operations are within the boundaries of the Midwest Reliability Organization and the Company's wind resources have been registered on the Midwest Renewable Energy Tracking System (M-RETS). Pursuant to the Commission's reporting requirement attached is output from an M-RETS report detailing the certificates generated for Diamond Willow 1, Diamond Willow 2 and Cedar Hills wind facilities and the certificates retired to meet the Montana Renewable Energy Resource Standard for Compliance Year 2011 (Attachment B). As shown, Montana has no carryover balance for 2011.

The Diamond Willow 1 wind facility is a 19.5 Megawatt facility located in Fallon County, Montana and was certified by the Commission as an eligible renewable resource in March, 2007. Diamond Willow 2 is a 10.5 Megawatt wind facility located in Fallon County, Montana near Diamond Willow 1 and Cedar Hills is a 19.5 Megawatt wind facility located in Bowman County, North Dakota. Montana-Dakota petitioned the Commission on March 13, 2012 for certification of the Diamond Willow 2 and Cedar Hills wind facilities as eligible renewable resources pursuant to the provisions of the Montana Renewable Power Production and Rural Economic Development Act, Sections 69-3-2001 *et seq.* Mont. Code Ann., and the Commission's implementing rule, ARM 38.5.8301.

The Commission also has access to reports on M-RETS in order to validate the certificates retired to comply with Montana-Dakota's Renewable Resource Standard for Compliance Year 2011.

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,

Tamie A. Aberle
Regulatory Affairs Manager

Montana Renewable Portfolio Standard (RPS)

Public Utility Compliance Form*

Compliance Year 2011

1 **Public Utility: Montana-Dakota Utilities Co.**

2 **Total Retail Sales in 2010 (MWh):** **711,510.00**

2011 Renewable Energy Credits (RECs)[±]

3	Procurement Requirement:	71,151.00
4	2009 Carry-Over Applied:	0.00
5	2010 Carry-Over Applied:	0.00
6	Procured in 2011:	71,151.00
7	Total Retired for 2011:	71,151.00
8	Balance:	0.00

[±] All RECs used to comply with the RPS must be tracked and verified through the Western Renewable Energy Generation Information System (WREGIS) or the Midwest Renewable Energy Tracking System (MRETS). To demonstrate compliance with this requirement, please attach a report generated by WREGIS or MRETS setting forth the sources and quantities of RECs procured and retired for compliance year 2011.

*** Public Utilities Subject to Retail Choice:**

On an annual basis on or before March 31, a public utility subject to the retail choice provisions in Section 69-8-201 of the Montana Code Annotated must also submit an **Electricity Supplier Report** to the Montana Public Service Commission disclosing each electricity supplier that uses its transmission or distribution facilities to deliver electricity to retail customers in Montana.

For each electricity supplier, the Electricity Supplier Report must set forth the following information for the twelve-month period ending December 31, 2010:

- 9 (1) Total billed retail sales of electrical energy by month;
- 10 (2) Billed retail sales of electrical energy by month for each retail customer of that supplier; and
- 11 (3) Individual load by month for each retail customer of that supplier (in kilowatts).

The public utility must assign a unique number to each retail customer of an electricity supplier to protect the customer's identity.

Montana-dakota Utilities Co.
Renewable Energy Credit Activity
2011 Compliance Year

Action	SubAccount	Subaccount ID	M-RETS ID	Generating Facility	Fuel Type	Generation	Certificate Serial Numbers	Quantity
Transfer	Cedar Hills	1175	M584	Cedar Hills Wind Farm - Cedar Hills Wind Farm	Wind	Jan-11	584-ND-01-2011-14368-1 to 5864	5,864
Transfer	Cedar Hills	1175	M584	Cedar Hills Wind Farm - Cedar Hills Wind Farm	Wind	Feb-11	584-ND-02-2011-14625-1 to 5064	5,064
Transfer	Cedar Hills	1175	M584	Cedar Hills Wind Farm - Cedar Hills Wind Farm	Wind	Mar-11	584-ND-03-2011-15026-1 to 4088	4,088
Transfer	Cedar Hills	1175	M584	Cedar Hills Wind Farm - Cedar Hills Wind Farm	Wind	Apr-11	584-ND-04-2011-15542-1 to 5402	5,402
Transfer	Cedar Hills	1175	M584	Cedar Hills Wind Farm - Cedar Hills Wind Farm	Wind	May-11	584-ND-05-2011-15970-1 to 6372	6,372
Transfer	Cedar Hills	92	M152	Diamond Willow - Diamond Willow	Wind	May-11	152-MT-05-2011-15968-4248 to 8857	4,610
Transfer	Cedar Hills	1175	M584	Cedar Hills Wind Farm - Cedar Hills Wind Farm	Wind	Jun-11	584-ND-06-2011-16535-1 to 4616	4,616
Transfer	Cedar Hills	92	M152	Diamond Willow - Diamond Willow	Wind	Jun-11	152-MT-06-2011-16429-1 to 7023	7,023
Transfer	Cedar Hills	1175	M584	Cedar Hills Wind Farm - Cedar Hills Wind Farm	Wind	Jul-11	584-ND-07-2011-16951-1 to 4294	4,294
Transfer	Cedar Hills	92	M152	Diamond Willow - Diamond Willow	Wind	Jul-11	152-MT-07-2011-16825-1 to 5631	5,631
Transfer	Diamond Willow	1175	M584	Cedar Hills Wind Farm - Cedar Hills Wind Farm	Wind	Aug-11	584-ND-08-2011-17478-1 to 3678	3,678
Transfer	Diamond Willow	92	M152	Diamond Willow - Diamond Willow	Wind	Aug-11	152-MT-08-2011-17353-1 to 5378	5,378
Transfer	Diamond Willow	1175	M584	Cedar Hills Wind Farm - Cedar Hills Wind Farm	Wind	Sep-11	584-ND-09-2011-17826-1 to 4054	4,054
Transfer	Diamond Willow	92	M152	Diamond Willow - Diamond Willow	Wind	Sep-11	152-MT-09-2011-17823-1 to 5077	5,077

Total Certificates to dispose of for 2011

71,151