

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

February 27, 2012

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

> RE: Annual Electric Reliability Report-2011 ARM 38.5.8619

Dear Ms. Whitney:

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. herewith submits an original and ten copies of its Annual Report of Montana Electric Reliability Indices pursuant to ARM 38.5.8619.

The Reliability Indices provided in this report include the System Average Interruption Frequency Index (SAIFI), the System Average Interruption Duration Index (SAIDI) and the Customer Average Interruption Duration Index (CAIDI) for the state of Montana and by major district served by Montana-Dakota in Montana for calendar year 2011. Historical data for calendar years 2009 and 2010 is also included. All indices in this report include outage data for both the distribution system and the transmission system and the SAIDI and CAIDI indices are reported in minutes.

A graphical presentation of the SAIFI, SAIDI and CAIDI indices for 2009-2011 is provided in Attachment A, pages 1 and 2 with a categorization of the causes associated with service interruptions in 2010 and 2011 shown on Attachment A, page 3. Please refer to Attachment B for the index data.

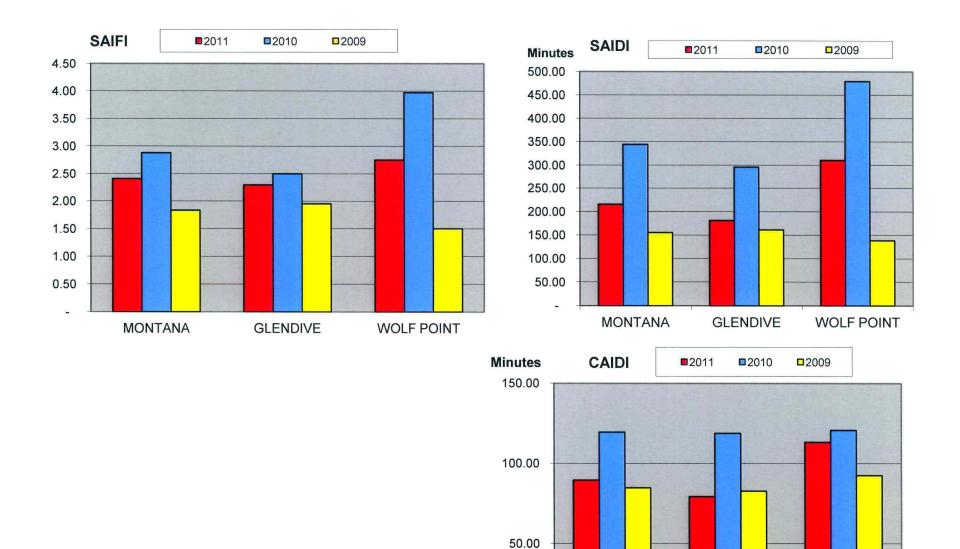
Montana-Dakota did have one outage on the distribution system for the Glendive District that was classified as a major storm event where more than 10% of a major town's circuits were affected. This outage occurred on April 30, 2011 and lasted for approximately a one hour period and affected 774 customers. An explanation of other storm related outages not classified as major storm events is provided in Attachment B, page 2.

Please contact me with any questions regarding this report

Sincerely,

Tamie A. Aberle Regulatory Affairs Manager

MONTANA-DAKOTA UTILITIES CO. RELIABILITY INDEX WITH IDENTIFIED STORM EVENT(S) ELECTRIC UTILITY-MONTANA 2009-2011



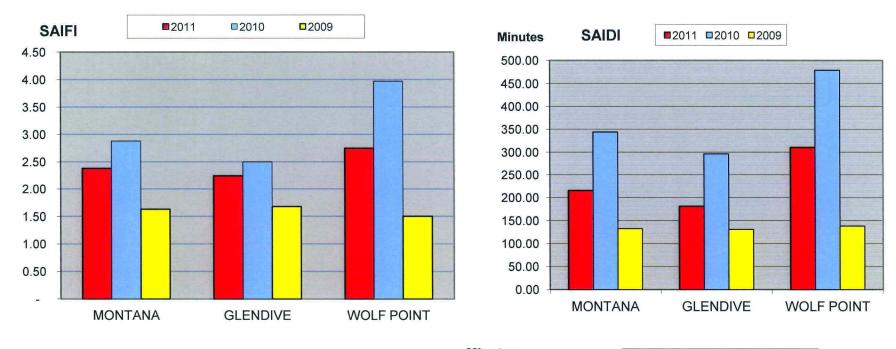
MONTANA

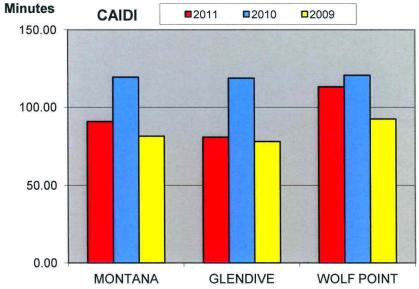
GLENDIVE

WOLF POINT

Attachment A Page 1 of 3

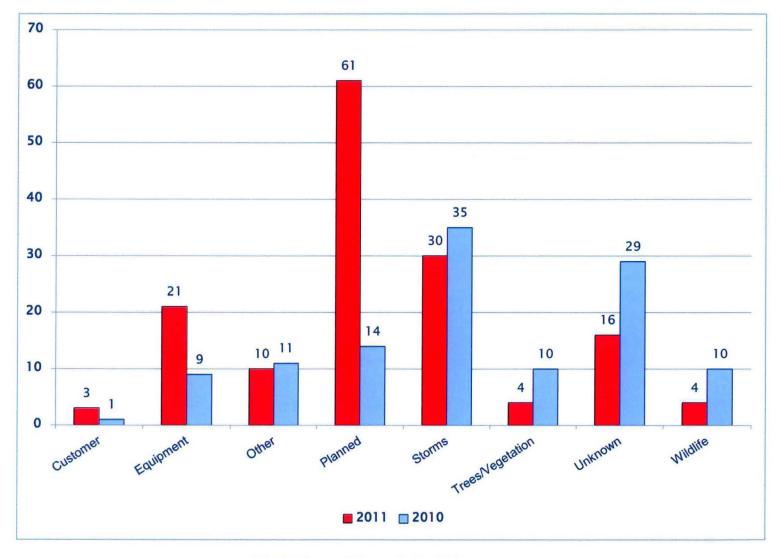
MONTANA-DAKOTA UTILITIES CO. RELIABILITY INDEX WITHOUT IDENTIFIED STORM EVENT(S) ELECTRIC UTILITY-MONTANA 2009-2011





Attachment A Page 2 of 3

MONTANA-DAKOTA UTILITIES CO. ELECTRIC UTILITY MONTANA OUTAGES BY CAUSE



Distribution and Transmission Outages:

	2011	2010
Customer	3	1
Equipment	21	9
Other	10	11
Planned	61	14
Storms	30	35
Trees/Vegetation	4	10
Unknown	16	29
Wildlife	4	10
	149	119

MONTANA-DAKOTA UTILITIES CO. ANNUAL ELECTRIC RELIABILITY REPORT-MONTANA CALENDAR YEAR 2011 MONTANA RULE 38.5.8619

	Montana			Glendive District			Wolf Point District		
Reliablility Index with Identified Storm Event(s)	2011	2010	2009	2011	2010	2009	2011	2010	2009
SAIFI (System Average Interruption Frequency Index)	2.41	2.88	1.83	2.29	2.50	1.95	2.75	3.97	1.50
SAIDI (System Average Interruption Duration Index)	215.66	344.19	155.25	181.27	296.20	161.17	310.54	479.22	138.22
CAIDI (Customer Average Interruption Duration Index)	89.54	119.42	84.74	79.28	118.71	82.70	113.14	120.67	92.41

	Montana			Glendive District			Wolf Point District		
Reliablility Index-Without Identified Storm Event(s)	2011	2010	2009	2011	2010	2009	2011	2010	2009
SAIFI (System Average Interruption Frequency Index)	2.38	2.88	1.63	2.24	2.50	1.68	2.75	3.97	1.50
SAIDI (System Average Interruption Duration Index)	215.65	344.02	132.70	181.27	296.20	130.78	310.54	478.58	138.22
CAIDI (Customer Average Interruption Duration Index)	90.73	119.39	81.43	80.80	118.71	78.03	113.14	120.58	92.41

Montana-Dakota Utilities Co. Electric Utility – Montana Outage Data Information

The following storm outages while not classified as a major storm events by definition did affect reliability indices in calendar year 2011. In addition to the specific storm related outages noted below, storm related outages occurred on the following dates: 1/31, 2/28, 5/31, 6/30 and 7/31. affecting the Montana system.

Specific storm related outages on the transmission system included:

Baker-Bowman 60 KV line

• 4/30/2011- Storm related weather, wind, freezing rain/snow/ice

Culbertson-Lewis & Clark 60 KV line

- 4/30/2011-Storm related-wind, freezing rain/snow/ice-downed lines, poles and crossarms
- 5/7/2011-Storm related weather-lines, floaters damaged
- 6/7/2011- Storm related weather and wind
- 6/10/2011- Storm related weather and wind- transformer, regulator repair

Glendive-Lewis & Clark 60 KV line

- 7/22/2011- Storm related weather and wind
- 7/29/2011-7/30/2011-Storm related weather and wind-poles on ground

Glendive-Medora 60 KV line

- 4/30/2011-Storm related weather, wind, freezing rain/snow/ice-line faulted
- 8/4/2011-Storm related weather and wind, rain, and lightning-insulators/ties

Grenora-Plentywood 60 KV line

• 4/30/2011- Storm related weather and wind

Grenora-Zahl 60 KV line

4/30/2011- Storm related weather and wind-line, poles, crossarms, insulators/ties conductor

Plentywood-Poplar 60 KV line

- 4/30/2011- Storm related weather and wind
- 6/17/2011- Storm related weather and wind

Terry-Terry 34.5 KV line

• 6/14/2011- Storm related weather and wind