

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

December 17, 2008

RECEIVED

DEC 18 2008

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

PUBLIC SERVICE COMMISSION

Re: Case No. PU-08-____
Application for a Certificate of Public
Convenience & Necessity for a 19.5 MW
Wind Project located in North Dakota

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., herewith files an original and seven (7) copies of an Application for a Certificate of Public Convenience and Necessity to construct, own and operate a 19.5 MW Wind facility to be located near Rhame, North Dakota. The Wind facility is expected to be in commercial operation by October 2009.

Please refer all inquiries regarding this filing to:

Tamie A. Aberle
Pricing & Tariff Manager
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

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

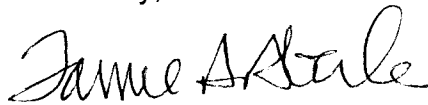
Daniel S. Kuntz
Associate General Counsel
MDU Resources Group, Inc.
P.O. Box 5650
Bismarck, ND 58506-5650

Montana-Dakota has previously submitted a check to cover the \$50.00 filing fee required for filings, in accordance with North Dakota Century Code Section 49-05-05.

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,



Tamie A. Aberle
Pricing & Tariff Manager

Attachments

cc: Daniel S. Kuntz

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA**

In the Matter of the Application of)
MONTANA-DAKOTA UTILITIES CO., a)
Division of MDU Resources Group, Inc.)
for a Certificate of Public Convenience) Case No. PU-08-____
and Necessity for a 19.5 MW Wind)
Project located near Rhame, North)
Dakota)

**APPLICATION FOR A CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY**

COMES NOW, Montana-Dakota Utilities Co. (Montana-Dakota or Applicant), a Division of MDU Resources Group, Inc., the Applicant in the above-entitled proceeding, and makes application pursuant to Chapter 49-03.1, NDCC, for a Certificate of Public Convenience and Necessity to own and operate a 19.5 MW Wind Project facility, to be located approximately five miles west of Rhame, North Dakota.

That Applicant's full name and post office address are:

Montana-Dakota Utilities Co.,
a Division of MDU Resources Group, Inc.,
400 North Fourth Street
Bismarck, North Dakota 58501

II.

That Applicant is a Division of MDU Resources Group, Inc., a Delaware corporation duly authorized to do business in the State of North Dakota as a foreign corporation, and that it is doing business in the State of North Dakota as a public utility subject to the jurisdiction of and regulation by the North Dakota Public Service Commission (Commission) under Title 49, NDCC, as amended.

III.

That Applicant's Certificate of Incorporation and amendments thereto have been previously filed with the Commission under Case No. PU-08-710 and such Certificate and Amendments are hereby incorporated by reference as though fully set forth herein.

IV.

That this Application is being made pursuant to the provisions of Chapter 49-03.1 of the North Dakota Century Code, and the rules and regulations promulgated by the Public Service Commission of the State of North Dakota.

V.

That Applicant seeks authorization to own and operate a 19.5 MW wind project and associated facilities necessary to interconnect with Montana-Dakota's existing electric system. Montana-Dakota is not extending service to any new retail customers as a part of this project. Montana-Dakota's transmission facilities in the area of the new wind generators are sufficient for interconnecting the wind units and will not require incremental investment to upgrade the 57 KV transmission facilities. A 57/34.5 KV step up substation will be constructed to interconnect with the existing transmission facilities. Attached as Exhibit A is a map depicting the location of the wind turbines and the substation.

VI.

That the project referred to as the Cedar Hills project will consist of thirteen 1.5 MW General Electric turbines. The project site is comprised of approximately 640 acres located within Sections 23 and 24, Township 132N, Range 105W in Bowman County. The required easements have been obtained and the Bowman County Commission has been apprised of the project. Montana-Dakota has utilized the wind data used in developing the Diamond Willow project to estimate the wind resource at the Cedar Hills project due to the close proximity of the two projects. Montana-Dakota has commissioned Western Plains Consulting Inc. to conduct a fall and spring avian survey.

The fall survey was completed in November of 2008. Montana-Dakota is awaiting the final report but preliminary results of the fall survey have shown that the proposed project area poses no threat to endangered species. The spring survey is to be conducted during the spring migration.

VII.

That this renewable resource is a cost effective addition to Montana-Dakota's portfolio of resources necessary to provide reliable and economic energy to its customers. The estimated levelized cost per Mwh is expected to be \$54.50 based on an assumed capacity factor of 40 percent and a revenue requirement based on an investment of approximately \$45 million, plus associated operating expenses, depreciation and taxes offset by a production tax credit of \$.02 per Kwh for the first 10 years. The capacity factor and operating expenses were estimated based on Montana-Dakota's experience at its Diamond Willow wind facility that has been fully on-line since February 2008, located approximately 20 miles west of this new wind facility.

VIII.

That there is a rebuttal presumption this renewable energy facility which is to be located in the state of North Dakota is deemed prudent pursuant to 49-05-16.

IX.

That no other public utility will be affected by the ownership and operation of the proposed facility and associated interconnection facilities.

X.

That Applicant is fit, willing and able to own and operate the proposed facilities.

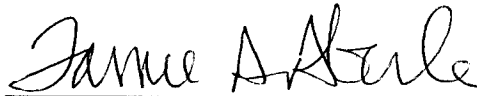
XI.

That Applicant believes it is in the public interest that Applicant be granted a Certificate of Public Convenience and Necessity for the authority it requests herein.

WHEREFORE, Applicant respectfully requests that the Commission:

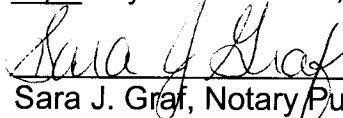
1. Give Notice of Opportunity to request a hearing to interested parties and, if no hearing is requested within twenty days, to waive the hearing in accordance with §49-03.1-05, NDCC;
2. Enter an Order and issue a Certificate of Public Convenience and Necessity authorizing the Applicant to construct, own and operate a 19.5 MW wind power facility in southwestern North Dakota.
3. Grant such other relief as the Commission shall deem appropriate.

Dated this 17th day of December, 2008.

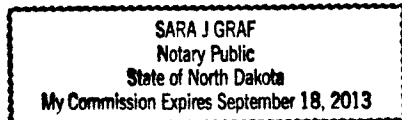


Tamie A. Aberle

Subscribed and sworn to before me this 17th day of December, 2008.



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

CEDAR HILLS WIND PROJECT TURBINE LAYOUT

Bowman County ND T132N R105W Sections 23 and 24

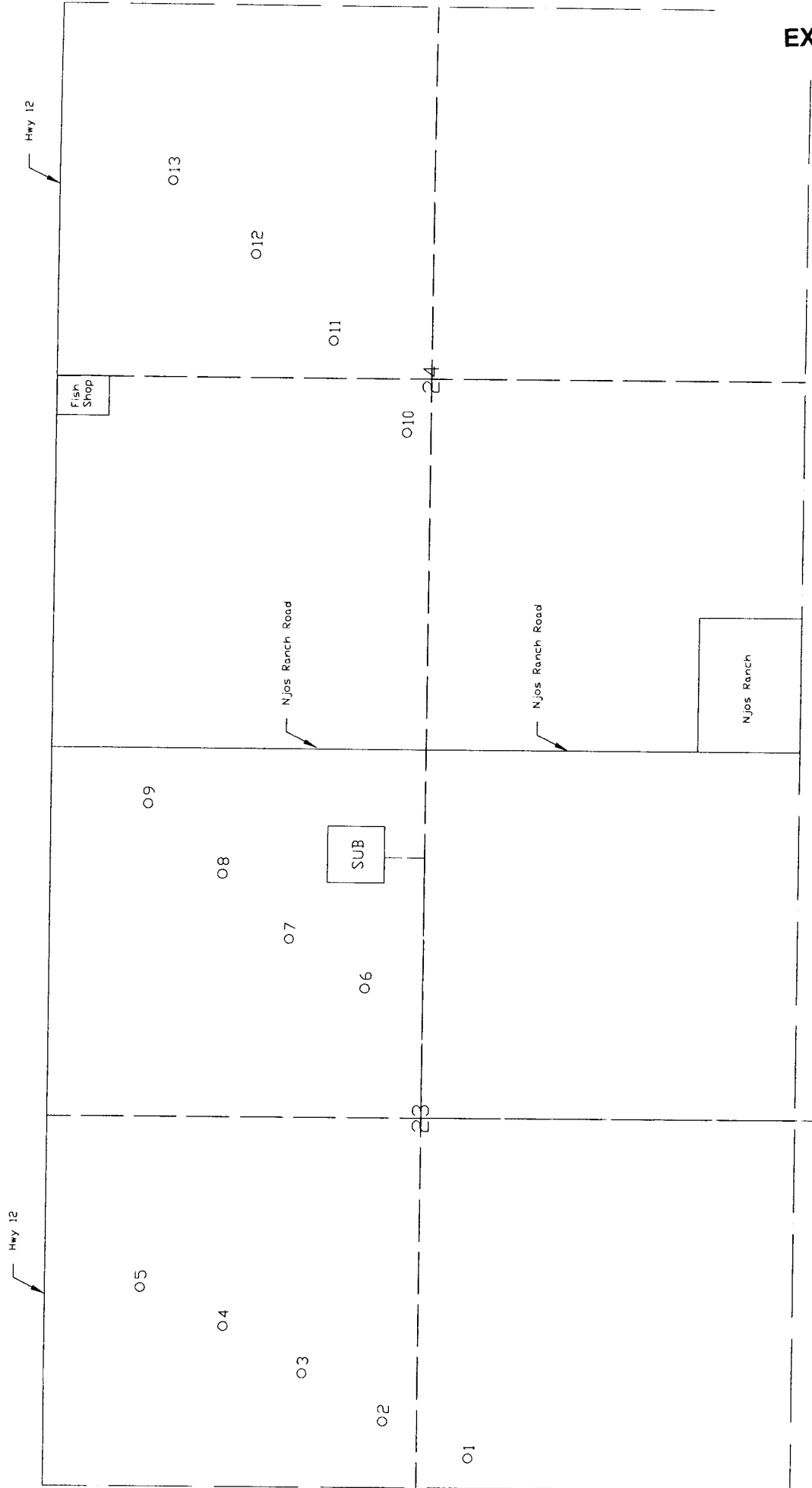


EXHIBIT A