

September 9, 2009

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

Re: Case No. PU-09-____
Application to Extend the Area Served
by the Certificate of Public Convenience
and Necessity Approved in Case No.
PU-07-270

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., herewith submits for Commission approval an original and seven (7) copies of the Company's request to amend the area served under the Certificate of Public Convenience and Necessity (PC&N) granted in PU-07-270, Application to Serve U.S. BioEnergy near Hankinson North Dakota with Natural Gas Transportation Service.

On June 8, 2007, Montana-Dakota filed an application for a Certificate of Public Convenience and Necessity (PC&N) to construct and operate a natural gas distribution line to serve U.S. BioEnergy (BioEnergy), an ethanol production facility located near Hankinson, North Dakota in Case No. PU-07-270. At that time the Company was proposing to construct a tap into the Alliance Pipeline near Fairmount, North Dakota and construct 16 miles of natural gas pipeline to serve the BioEnergy facility with natural gas transportation service. On July 25, 2007, the Commission approved the Company's request and issued Certificate Number 5325. The line became operational in January 2008.

Montana-Dakota is now requesting to amend the area served by the distribution line, approved in Case No. PU-04-270, to include locations within the townships of Brightwood, Waldo, De Villo, LaMars and Fairmount of Richland County. The extended area would cover approximately 181 square miles of the area surrounding the existing BioEnergy distribution line. A map of the amended area is included as Exhibit 1 with

the area highlighted in black. The existing line, as approved in Case No. PU-04-270 is highlighted in blue.

The expanded area is being proposed to allow for taps into the existing sixteen mile distribution line and for the Company to extend service facilities from the taps to customer locations beyond the existing line for the purpose of providing natural gas transportation service under the Company's currently effective Transportation Service Rates 81 and 82 rate schedule. A grain facility located off the existing distribution system connected in late 2008.

At this time, two grain facilities and a flour mill have expressed an interest in extending the existing distribution facilities in order to contract for natural gas transportation service. The two grain facilities are interested in moving forward with construction in the very near future to allow deliveries of natural gas yet this fall. In order to serve the new loads, approximately 1.5 miles of 3 inch steel line or approximately 2 miles of 6 inch plastic will be extended from the existing line to Highway 127. Plastic line will then be installed to serve the individual customers. The interested parties understand the cost of the pipeline extensions to their facilities will be borne 100 percent by the parties requesting extension of service. The line extension to serve the new customers is shown in green on Exhibit 1.

Any new customers served off of the line will be responsible for securing a supply of natural gas and pipeline services necessary for the delivery natural gas to Montana-Dakota's distribution system. The addition of new gas transportation service customers will provide a net benefit to all natural gas customers served by Montana-Dakota in the State of North Dakota.

Montana-Dakota requests that the Commission consider this request and grant Temporary Authority Permits similar to those granted for electric service to customers located adjacent to a Rural Electric Cooperative's service area in order to expeditiously proceed with construction. Montana-Dakota also requests the Commission 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. No other natural gas public utilities will be affected by the expansion of the area for service off of the distribution line.

Please refer all inquiries regarding this filing to:

Ms. Tamie 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

The required filing of \$50.00 should be taken from the balance of the \$600 payment Montana-Dakota made in January 2009 to cover filing fees required pursuant to Section 49-05-05 of the North Dakota Century Code.

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,



Donald R. Ball
Vice President - Regulatory Affairs

Attachments
cc: Daniel S. Kuntz

