



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

ORIGINAL

April 19, 2010

RECEIVED

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PUBLIC SERVICE COMMISSION

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

Re: Application and Notice of Change
in General Electric Rates
Case No. PU-10-_____

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits its Application and Notice to increase its rates for electric service in North Dakota. Montana-Dakota submits this Letter of Transmittal and its Application and Notice with Appendices A and B, Testimony and Exhibits and Statements supporting an increase in Montana-Dakota's rates for electric service. This filing is made in accordance with Title 49 of the North Dakota Century Code and the rules and regulations promulgated by the North Dakota Public Service Commission.

Montana-Dakota is proposing to increase its electric rates to recover the investment and additional costs associated with the increased investment in facilities, including the expansion of wind generation in the Cedar Hills and Diamond Willow projects, the significant loss of wholesale sales margin, and recovery of the deferred generation costs incurred to acquire needed generation. The amounts in this case include the costs associated with the development of three generation projects; the Big Stone II plant, the Lignite Vision 21 and Milton Young III plants. If resolution of a proposed alternate recovery mechanism pending before the Commission in Case No. PU-09-733 is approved for the Big Stone II plant costs, those costs will be withdrawn from this case.

Recovery of these increased costs will provide Montana-Dakota a reasonable opportunity to earn a fair rate of return for its North Dakota electric operations.

Montana-Dakota proposes a total annual increase of \$15,396,303 or 14 percent, based on a 2010 future test year. The proposed change in rates will affect customer classes as follows:

Customer Class	Revenue Increase	
	\$	%
Residential Service	\$6,469,473	14.1%
Small General Service	1,275,437	14.8%
General Service	7,172,206	13.6%
Municipal Lighting	195,437	13.8%
Municipal Pumping	211,142	12.4%
Outdoor Lighting Service	72,608	14.7%
Total North Dakota Electric	<u>\$15,396,303</u>	<u>13.9%</u>

Please refer all inquiries regarding this filing to:

Ms. Rita A. Mulkern
Regulatory Analysis Manager
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501
Rita.Mulkern@mdu.com

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

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

The original and seven (7) copies of this Letter of Transmittal, Application and Notice, Appendices, Testimony and Exhibits, and Statements are hereby filed with the North Dakota Public Service Commission.

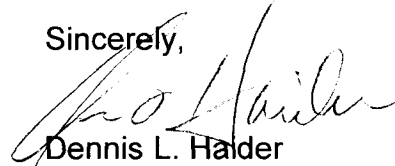
Montana-Dakota also herewith submits a check for \$125,000.00 pursuant to the requirements of Section 49-05-04 of the North Dakota Century Code.

Montana-Dakota is concurrently submitting an Application and Notice for Interim Increase in Electric Rates in the annual amount of \$7,616,767 to be effective 60 days from filing if the Commission suspends the rate increase sought by Montana-Dakota through its Application and Notice.

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,



Dennis L. Haider
Executive Vice President – Regulatory,
Gas Supply and Business Development

Attachment