



105 West Lincoln Avenue

Mailing Address:

P.O. Box 176

Fergus Falls, MN 56538-0176

(218) 736-6935

April 15, 2011

**RECEIVED**

APR 15 2011 *Jm*

**PUBLIC SERVICE COMMISSION**

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

Re: Annual Report

Great Plains Natural Gas Co., a Division of MDU Resources Group, Inc., herewith submits one copy of its Gas Annual Report for the year ended December 31, 2010 consisting of:

North Dakota Gas Annual Report  
North Dakota Gas Cost of Service Study  
Report of Independent Public Accountants ✓

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,

*Rita A. Mulkern*

Rita A. Mulkern  
Regulatory Affairs Manager

Enclosures

**REPORT OF INDEPENDENT  
PUBLIC ACCOUNTANTS**

**2010**



Deloitte & Touche LLP  
Suite 2800  
50 South Sixth Street  
Minneapolis, MN 55402-1538  
USA

Tel: +1 612 397 4000  
Fax: +1 612 397 4450  
www.deloitte.com

## INDEPENDENT AUDITORS' REPORT

To the Managing Committee of  
Great Plains Natural Gas Co.:

We have audited the calculations of the Cost of Gas Adjustment (COG) shown on the accompanying schedule and included in the monthly filings of Great Plains Natural Gas Co. (the "Company"), a division of MDU Resources Group Inc., for the year ended December 31, 2010, based upon Chapter 69-09-01-30 of the North Dakota Administrative Code (the "Code"), North Dakota Century Code 49-05-05, and the Cost of Gas Rates (the "Tariffs") filed by the Company with the North Dakota Public Service Commission (the "Commission"). The calculations of the COG are the responsibility of the Company's management. Our responsibility is to express an opinion on the calculations of the COG based on our audit.

We conducted our audit in accordance with generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the calculations are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting as it relates to the calculations. An audit includes consideration of internal control over the calculations as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over the calculations. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts in the calculations, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the calculations. We believe that our audit provides a reasonable basis for our opinion.

The accompanying schedule was prepared for the purpose of complying with Chapter 69-09-01-30 of the Code and is not intended to be a complete presentation of the Company's revenues and expenses.

In our opinion, the accompanying schedule presents fairly, in all material respects, the calculations of the COG for the year ended December 31, 2010 in accordance with the Code and Tariffs approved by the Commission.

This report is intended solely for the information and use of the Managing Committee of the Company and the North Dakota Public Service Commission and should not be used for any other purposes.

*Deloitte & Touche LLP*

April 8, 2011

**GREAT PLAINS NATURAL GAS CO.**

**SCHEDULE OF 2010 AUTOMATIC ADJUSTMENT CLAUSE  
CALCULATIONS FOR THE COST OF GAS ADJUSTMENT**

---

<b>Effective for the Month of:</b>	<b>Adjustments per mcf</b>	
	<b>Firm</b>	<b>Interruptible</b>
January	\$ 3.6471	\$(0.4058)
February	3.6630	(0.4058)
March	3.1371	(.9599)
April	2.0231	(1.9867)
May	2.2058	(1.9362)
June	2.2306	(1.4898)
July	2.8302	(1.1766)
August	2.4838	(1.5302)
September	1.9149	(2.0859)
October	2.3190	(1.6817)
November	2.1126	(1.8897)
December	2.8630	(1.2779)