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April 16, 2012

RECEIVED

APR 16 2012

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, 2011 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,

A handwritten signature in cursive script that reads "Rita A. Mulkern".

Rita A. Mulkern
Regulatory Affairs Manager

Enclosures

3 **PU-12-153** Filed: 4/16/2012 Pages: 4
2011 Report of Independent Public Accountants

Great Plains Natural Gas Co.
Rita Mulkern

**REPORT OF INDEPENDENT
PUBLIC ACCOUNTANTS**

2011

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, 2011, 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the calculations are free of material misstatement. An audit includes consideration of internal control over financial reporting as it relates to 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 financial reporting as it relates to the calculations. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting 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, 2011, 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 2, 2012

GREAT PLAINS NATURAL GAS CO.

SCHEDULE OF 2011 AUTOMATIC ADJUSTMENT CLAUSE CALCULATIONS FOR THE COST OF GAS ADJUSTMENT

Effective for the month of:	Adjustments per mcf	
	Firm	Interruptible
January	\$ 2.9358	\$ (1.2269)
February	3.0214	(1.0230)
March	2.7489	(1.3289)
April	3.4433	(1.1944)
May	3.4738	(1.1944)
June	3.8064	(0.9463)
July	3.9912	(0.7230)
August	3.6340	(1.0478)
September	3.5063	(1.2508)
October	3.4036	(1.2509)
November	2.8641	(1.6569)
December	2.4627	(2.0061)