February 28, 2013

Ms. Kate Whitney, Administrator
Utility Division
Montana Public Service Commission
1701 Prospect Avenue
Helena, MT 59620

RE: Annual Electric Reliability Report-2012
ARM 38.5.8619

Dear Ms. Whitney:

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. herewith submits an original and ten copies of its Annual Report of Montana Electric Reliability Indices pursuant to ARM 38.5.8619.

The Reliability Indices provided in this report include the System Average Interruption Frequency Index (SAIFI), the System Average Interruption Duration Index (SAIDI) and the Customer Average Interruption Duration Index (CAIDI) for the state of Montana and by major district served by Montana-Dakota in Montana for calendar year 2012. Historical data for calendar years 2011 and 2010 is also included. All indices in this report include outage data for both the distribution system and the transmission system and the SAIDI and CAIDI indices are reported in minutes.

A graphical presentation of the SAIFI, SAIDI and CAIDI indices for 2010-2012 is provided in Attachment A, pages 1 and 2 with a categorization of the causes associated with service interruptions in 2010 through 2012 shown on Attachment A, page 3. Please refer to Attachment B for the index data.

In calendar year 2012 Montana-Dakota did not have an outage on the distribution or transmission system that was classified as a major storm event where more than 10% of a major town’s circuits were affected. An explanation of other storm related outages not classified as major storm events is provided in Attachment B, page 2.

Please contact me with any questions regarding this report

Sincerely,

			

Tamie A. Aberle
Director of Regulatory Affairs
Distribution and Transmission Outages:

<table>
<thead>
<tr>
<th>Cause</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer</td>
<td>6</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Equipment</td>
<td>39</td>
<td>21</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Planned</td>
<td>87</td>
<td>61</td>
<td>14</td>
</tr>
<tr>
<td>Storms</td>
<td>35</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td>Trees/Vegetation</td>
<td>5</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Unknown</td>
<td>40</td>
<td>16</td>
<td>29</td>
</tr>
<tr>
<td>Wildlife</td>
<td>15</td>
<td>4</td>
<td>10</td>
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</tbody>
</table>

| Total            | 234  | 149  | 119  |
## Montana-Dakota Utilities Co. Annual Electric Reliability Report - Montana

**Montana Rule 38.5.8619**

### Reliability Index with Identified Storm Event(s)

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<tr>
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</thead>
<tbody>
<tr>
<td><strong>SAIFI</strong> (System Average Interruption Frequency Index)</td>
<td>2.46</td>
<td>2.41</td>
<td>2.88</td>
<td>2.76</td>
<td>2.29</td>
<td>2.50</td>
<td>1.63</td>
<td>2.75</td>
<td>3.97</td>
</tr>
<tr>
<td><strong>SAIDI</strong> (System Average Interruption Duration Index)</td>
<td>194.34</td>
<td>215.66</td>
<td>344.19</td>
<td>235.61</td>
<td>181.27</td>
<td>296.20</td>
<td>79.97</td>
<td>310.54</td>
<td>479.22</td>
</tr>
<tr>
<td><strong>CAIDI</strong> (Customer Average Interruption Duration Index)</td>
<td>79.07</td>
<td>89.54</td>
<td>119.42</td>
<td>85.42</td>
<td>79.28</td>
<td>118.71</td>
<td>49.19</td>
<td>113.14</td>
<td>120.67</td>
</tr>
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### Reliability Index - Without Identified Storm Event(s)

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</tr>
</thead>
<tbody>
<tr>
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<td>2.46</td>
<td>2.38</td>
<td>2.88</td>
<td>2.76</td>
<td>2.24</td>
<td>2.50</td>
<td>1.63</td>
<td>2.75</td>
<td>3.97</td>
</tr>
<tr>
<td><strong>SAIDI</strong> (System Average Interruption Duration Index)</td>
<td>194.34</td>
<td>215.65</td>
<td>344.02</td>
<td>235.61</td>
<td>181.27</td>
<td>296.20</td>
<td>79.97</td>
<td>310.54</td>
<td>478.58</td>
</tr>
<tr>
<td><strong>CAIDI</strong> (Customer Average Interruption Duration Index)</td>
<td>79.07</td>
<td>90.73</td>
<td>119.39</td>
<td>85.42</td>
<td>80.80</td>
<td>118.71</td>
<td>49.19</td>
<td>113.14</td>
<td>120.58</td>
</tr>
</tbody>
</table>
Montana-Dakota Utilities Co.
Electric Utility – Montana
Outage Data Information
2012

The following storm outages while not classified as a major storm events by definition did affect reliability indices in calendar year 2012. In addition to the specific storm related outages noted below, storm related outages occurred on the following dates: 2/23, 6/13, 7/8 and 12/03 affecting the Montana system.

Specific storm related outages on the transmission system included:

Baker-Bowman 60 KV line
- 8/14/2012- Storm related weather, wind

Baker-Glendive Turbine-60 KV line
- 7/11/2012-Storm related weather and wind

Culbertson-Lewis & Clark 60 KV line
- 6/24/2012- Storm related weather and wind-poles on ground
- 7/11/2012-Storm related weather and wind

Culbertson-Plentywood 60 KV line
- 6/24/2012-Storm related weather and wind poles on ground

Fallon-West Glendive 12.5 KV line
- 8/13/2012-Storm related weather and wind

Glendive-Glendive Turbine 60 KV line
- 8/13/2012-Storm related weather and wind
- 8/14/2012-Storm related weather and wind

Glendive-Lewis & Clark 60 KV line
- 6/7/2012- Storm related weather and wind
- 8/1/2012- Storm related weather and wind

Plentywood-Poplar 60 KV line
- 6/24/2012- Storm related weather and wind
- 7/4/2012-Storm related weather and wind
- 8/15/2012-Storm related weather and wind
- 12/23/2012-Storm related weather-snow in area