

Service Date: August 6, 1985

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

\* \* \* \* \*

IN THE MATTER Of The Application ) UTILITY DIVISION  
Of MDU RESOURCES GROUP For )  
Authority To Issue Not To Exceed ) DOCKET NO. 82.5.35  
\$50,000,000 Of First Mortgage )  
Bonds. ) DEFAULT ORDER NO. 4913a

On June 4, 1982, the Commission issued Default Order No. 4913 which authorized the company to issue and sell \$45,000,000 of its First Mortgage Bonds. In December 1982, \$25,000,000 of bonds were sold. The balance of the authorized amount remains unsold.

On July 17, 1985, MDU Resources Group, Inc. (Applicant or Company) filed an application seeking authority to issue not to exceed an additional \$30,000,000 principal amount of Bonds so that a total of \$50,000,000 of Bonds will be authorized for issuance and sale. The application is filed pursuant to Title 69, Chapter 3, Part 5, MCA.

The application was supported by exhibits and data in accordance with the rules and regulations of the Commission governing the authorization of issuance of securities by electric and gas utility companies operating within Montana. For detailed information with respect to the general character of Applicant's business and the territory served by it, reference is made to its annual report on file with the Commission.

At a regular open session of the Montana Public Service Commission, held at its offices on August 5, 1985, there came before the Commission for final action the matters in this Docket and the Commission, having fully considered the application and data and records pertaining thereto on file with the Commission and being fully advised in the premises, makes the following:

FINDINGS OF FACT

1. Applicant is a corporation organized and existing under and by virtue of the laws of the State of Delaware and is qualified to transact business in the State of Montana.

2. Applicant is operating as a public utility as defined in 69-3-101 and 69-3-102, MCA, and as such is engaged in furnishing electric and gas service in Montana.

3. The Commission has jurisdiction over the subject matter of said application under Title 69, Chapter 3, Part 5, MCA.

4. The proceeds from the issuance of the First Mortgage bonds will be used to partially finance MDU's utility construction program and to reduce the outstanding balance under its term loan.

5. The transactions proposed by Applicant (1) are consistent with the public interest; (2) are for a purpose or purposes permitted under the laws of the State of Montana; (3) are necessary or appropriate for and consistent with the proper performance by the Applicant of service as a public utility, and

(4) will not result in a situation in which the aggregate amount of the securities outstanding and proposed herein to be outstanding will exceed the fair value of the properties and business of the Applicant.

CONCLUSIONS OF LAW

The securities transactions proposed by Applicant, as herein authorized, will be for a lawful purpose and are consistent with the public interest; the same are necessary, appropriate and consistent with the proper performance of Applicant of service as a public utility; the aggregate amount of securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of the Applicant.

ORDER

IT IS HEREBY ORDERED by the Commission:

1. The Application of MDU Resources Group for authority to issue not to exceed \$50,000,000 in First Mortgage Bonds is hereby approved and authority is granted.

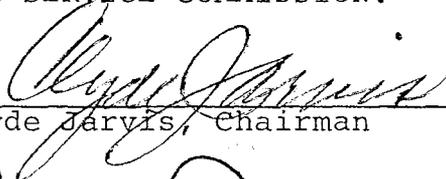
2. Neither the issuance of securities by Applicant pursuant to the provisions of this order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed hereunder.

3. The approval of this application shall not be construed as precedent to prejudice any future action of this Commission with regard to any security issue.

4. Issuance of this Order does not constitute acceptance of the Applicant's exhibits or other material accompanying the application for any purpose other than the issuance of this order.

DONE IN OPEN SESSION at Helena, Montana, this 5th day of August, 1985 by a vote of 5-0 .

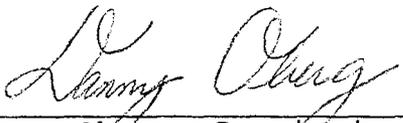
BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

  
Clyde Jarvis, Chairman

  
John B. Driscoll, Commissioner

  
Howard L. Ellis, Commissioner

  
Tom Monahan, Commissioner

  
Danny Oberg, Commissioner

ATTEST:

  
Ann Purcell Acting Secretary  
Trenna Scoffield  
Commission Secretary

Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 28.2.4806, ARM.