

Service Date: May 28, 1986

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

* * * * *

IN THE MATTER Of The Application)	
Of MDU RESOURCES GROUP For Auth-)	UTILITY DIVISION
ority To Issue Not To Exceed)	DOCKET NO. 86.5.25
\$100,000,000 Of First Mortgage)	DEFAULT ORDER NO. 5210
Bonds.)	
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On May 9, 1986, MDU Resources Group, Inc. (Applicant or Company) filed an application seeking authority to issue and sell not to exceed in aggregate \$100,000,000 principal amount of one or more series of its First Mortgage Bonds under its Indenture of Mortgage, dated as of May 1, 1939, as amended. The Bonds will be issued pursuant to one or more supplemental indentures to the Mortgage and will be secured equally with the other First Mortgage Bonds of the Applicant. 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 May 27, 1986, 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 the Applicant's utility construction program, the retirement of Corporate Securities, including the refunding of outstanding bonds, and other general corporate purposes.

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, Inc. for authority to issue not to exceed in aggregate \$100,000,000 in principal amount of one or more series of First Mortgage Bonds as proposed in the application, 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 securities 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 27th day of May, 1986 by a 5 - 0 vote.

MDURG Docket No. 86.5.25, Default Order 5210

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION



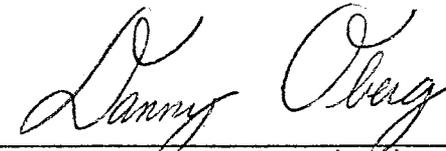
CLYDE JARVIS, Chairman



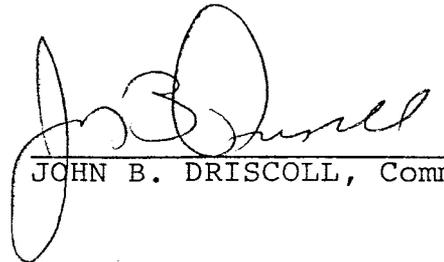
HOWARD L. ELLIS, Commissioner



TOM MONAHAN, Commissioner

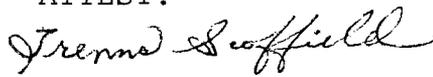


DANNY OBERG, Commissioner



JOHN B. DRISCOLL, Commissioner

ATTEST:


Trena Scoffield
Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.