

Service Date: September 30, 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, INC.) UTILITY DIVISION
For Authorization To Issue Up To) DOCKET NO. 86.9.48
\$50,000,000 Of Short-Term) DEFAULT ORDER NO. 5224
Indebtedness.)
_____)

On September 18, 1986, MDU Resources Group, Inc., hereinafter referred to as Applicant, a corporation organized and existing under and by virtue of the laws of the State of Delaware, and qualified to transact business in Montana, filed with the Montana Public Service Commission its verified application, pursuant to Title 69, Chapter 3, Part 5, MCA, requesting an order authorizing the issuance of up to \$50,000,000 of short-term indebtedness as proposed in the petition. 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 September 29, 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 (Section 70-103, RCM 1947), 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 short-term indebtedness proposed to be issued is not to exceed an aggregate principal amount of \$50,000,000 at any one time. The short-term indebtedness will be issued either in the form of ordinary unsecured promissory notes and/or in the form of commercial paper.

5. The proceeds from the issuance of the short-term indebtedness will be used to provide temporary financing for a portion of the Applicant's utility capital requirements which Applicant presently intends to repay from internally generated funds and permanent financing.

6. 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 by 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 up to \$50,000,000 of short-term indebtedness either in the form of ordinary unsecured promissory notes and/or in the form of commercial paper as proposed in the petition, is hereby approved and authority is granted.

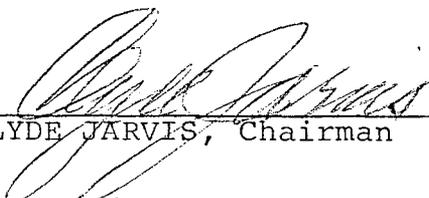
2. Neither the issuance of securities by Applicant pursuant to the provisions of the order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or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

3. The approval of this short-term indebtedness issuance 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 29th day of September, 1986, by a 5 to 0 vote.

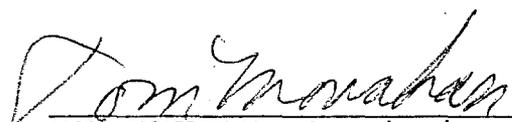
BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION



CLYDE JARVIS, Chairman



HOWARD L. ELLIS, Commissioner



TOM MONAHAN, Commissioner



DANNY OBERG, Commissioner



JOHN B. DRISCOLL, Commissioner

ATTEST:


Ann Purcell
Acting 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.