

Service Date: October 8, 1991

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.)
FOR AUTHORIZATION TO ISSUE UP TO) Docket No. 91.9.35
\$30,000,000 OF PROMISSORY NOTES) Default Order No. 5568
_____)

On September 16, 1991, 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 \$30,000,000 of promissory notes due no later than December 31, 1994, pursuant to an intermediate term revolving credit agreement. 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 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 in its offices on October 1, 1991, there came before the Commission for final action the matters and things in this Docket and the Commission, having fully considered the Application and all the 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 Sections 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 promissory notes proposed to be issued are not to exceed \$30,000,000 at any one time. These notes will be issued pursuant to an intermediate-term revolving credit agreement.

5. The proceeds from the issuance of the notes will be used to partially finance the Applicant's general corporate needs including the costs of its utility capital requirements, which may include the repayment of a portion of outstanding short-term borrowings incurred for that purpose.

If approved by the appropriate regulatory agencies, the Applicant desires to arrange the revolving credit agreement by November 16, 1991 and commence borrowing pursuant thereto as soon as practical thereafter.

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 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 up to \$30,000,000 of promissory notes due no later than December 31, 1994, pursuant to an intermediate - term revolving credit agreement is hereby approved and authority is granted.

2. Neither the issuance of promissory notes by MDU Resources Group, Inc., 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 number whatsoever any security authorized, issued, assumed or guaranteed hereunder.

3. The approval of this promissory note 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 1st day of October, 1991, by a 5 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

HOWARD L. ELLIS, Chairman

DANNY OBERG, Vice Chairman

BOB ANDERSON, Commissioner

JOHN B. DRISCOLL, Commissioner

WALLACE W. "WALLY" MERCER, Commissioner

ATTEST:

Ann Peck
Commission Secretary

(SEAL)

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