

Service Date: September 17, 2003

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

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IN THE MATTER of the Application	)	UTILITY DIVISION
of MDU RESOURCES GROUP, INC. for	)	DOCKET NO. D2003.8.116
Authorization for the Issuance of	)	DEFAULT ORDER NO. 6507
Securities	)	

**DEFAULT ORDER**

On August 20, 2003, MDU Resources Group, Inc. ("Applicant" or "Company"), filed an application seeking authority to issue additional shares of Common Stock, par value \$1.00 per share, in connection with a three-for-two Common Stock split effected in the form of a fifty percent (50%) stock dividend. Applicant anticipates that the necessary regulatory approval will be obtained, so that the split will become effective on October 29, 2003 (the "Effective Date"). Certificates for the additional shares resulting from the stock split would be mailed on or about the Effective Date to all holders of Common Stock of record at the close of business on October 10, 2003 (the "Record Date"). 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 September 9, 2003, 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. Applicant will receive no proceeds from the issuance of additional shares pursuant to the three-for-two Common Stock split in the form of a fifty percent (50%) stock dividend.
5. The transactions proposed by Applicant (a) are consistent with the public interest; (b) are for a purpose or purposes permitted under the laws of the State of Montana; (c) are necessary or appropriate for and consistent with the proper performance by Applicant of service as a public utility; and (d) 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 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 appropriate and consistent with the necessary performance of Applicant of service as a public utility; and 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 additional shares of Common Stock, par value \$1.00 per share, in connection with a three-for-two Common Stock split effected in the form of a fifty percent (50%) stock dividend as proposed in the application, is hereby approved and authority is granted.

2. Neither the issuance of securities by Applicant pursuant to the provision 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.

4. Issuance of the Order does not constitute acceptance of 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 16th day of September, 2003, by a vote of 5-0 .

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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BOB ROWE, Chairman

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THOMAS J. SCHNEIDER, Vice Chairman

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MATT BRAINARD, COMMISSIONER

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GREG JERGESON, Commissioner

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JAY STOVALL, Commissioner

ATTEST:

Connie Jones  
Commission Secretary

(SEAL)

NOTE: There is no reconsideration of the granting of a protective order. There is a procedure to challenge the provider's claim of confidentiality. See ARM 38.2.5008.