

Service Date: March 13, 1998

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. to |) | DOCKET NO. D98.2.25 |
| Issue Up To \$200,000,000 Worth of |) | DEFAULT ORDER NO. 6056 |
| Additional Shares of Common Stock. |) | |

On February 17, 1998, MDU Resources Group, Inc. ("Applicant" or "Company"), filed an application with the Montana Public Service Commission ("Commission") seeking authority to issue up to \$200,000,000 worth of additional shares of Common Stock, par value \$3.33, representing approximately 6,349,206 shares at current market prices, as proposed in the application. 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 MDU'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 March 9, 1998, 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 securities proposed to be issued are up to \$200,000,000 worth of additional shares of Common Stock, par value \$3.33, representing approximately 6,349,206 shares at current market prices. The Common Stock would be issued, from time to time, in one or more transactions, within a two-year period from the date of authority granted hereunder.

The Applicant may issue Common Stock as consideration for the acquisition of one or more businesses, or business assets (e.g. a stock-for-stock transaction) directly to the seller or sellers of the business, or its assets, being acquired by the Applicant or the Applicant's subsidiaries in direct arm's length negotiations with such seller(s). Alternatively, Applicant may issue and sell for cash Common Stock in one or more public offerings.

5. The Common Stock will in all respects rank equally with the outstanding shares of Common Stock so that the holders thereof will participate in dividends equally with the holders of the outstanding shares and will have the same voting rights and liquidation rights with the other Common Stockholders of the Applicant.

6. The issuance of Common Stock would be used for corporate development (including, without limitation, the issuance of Common Stock in a private placement with the seller or sellers of the business, or its assets, being acquired by the Applicant or its subsidiaries, and/or the issuance and sale of Common Stock in one or more public offerings, the cash proceeds therefrom to finance the acquisition of businesses or business assets by the Applicant or its subsidiaries), for the refunding of outstanding obligations, or for other general corporate purposes.

7. The transactions proposed by the 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 the Applicant.

CONCLUSIONS OF LAW

The securities transactions proposed by the 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 up to \$200,000,000 worth of additional shares of Common Stock, par value \$3.33, representing approximately 6,349,206 shares at current market prices, as proposed in the application, is hereby approved and authority is granted. This authority is effective through March 9, 2000. Approval of this filing is based on MDU Resources Group, Inc.'s assurance that the issuance of the Common Stock will not have an adverse effect on the Applicant nor effect any change in the cost or quality of service to the Applicant's ratepayers. Also, the Applicant stated in the filing that the issuance of Common Stock will not impair the Applicant's ability to perform its public utility service.

2. Neither the issuance of securities by the 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 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 9th day of March, 1998 by a vote of 5 - 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chairman

NANCY McCAFFREE, Vice Chair

BOB ANDERSON, Commissioner

DANNY OBERG, Commissioner

BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson
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.