

Memorandum

To: Gloria Geiger, Director of Administration
From: Mike Diller *MD*
Date: August 11, 2008
Re: **Montana-Dakota Utilities Co.**
Public Convenience and Necessity Application
Case No. PU-08-358

The following is written to provide the commission with a limited review of this case regarding the applicant's financial ability to operate a Recovered Energy Generation facility at a compressor station owned by Northern Border Pipeline Company.

The applicant is regulated by the commission. It is a division of MDU Resources Group, Inc. which is actively traded on the stock market claiming about \$6 billion in market capitalization.

The commission has used stockholder equity of the parent company as a litmus test for showing financial ability to provide service. According to the audited financials of MDU Resources, Group, Inc., it had \$2.5 billion in stockholder equity as of December 31, 2007. Based on its review, staff concludes that the applicant has access to sufficient capital through MDU Resources Group, Inc. to provide service in North Dakota.

Staff sees no reason to deny this application and will provide this document to the applicant's representatives.