

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc./Mountrail-
Williams Electric Cooperative
Stanley Area
Service Area Agreement**

Case No. PU-09-39

**Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc.
Stanley Area – Service Area Agreement
Public Convenience & Necessity**

Case No. PU-09-40

ORDER APPROVING ELECTRIC SERVICE AREA AGREEMENT

April 13, 2009

On January 26, 2009 Montana-Dakota Utilities Co. (MDU) and Mountrail-Williams Electric Cooperative (Mountrail-Williams) filed a joint application for approval of a Service Area Agreement to establish service areas and designate service locations to be served by MDU and Mountrail-Williams within and around the City of Stanley, North Dakota. Applicants further requested that MDU be issued a certificate of public convenience and necessity authorizing it to extend service to locations within the MDU service area set forth in the agreement.

On February 11, 2009 the Commission issued a Notice of Filing, Notice of Informal Hearing and Notice of Opportunity for Hearing, which provided until March 24, 2009 for receiving written comments or hearing requests. No response has been received. The notice identified the issues to be considered in this proceeding as whether the Service Area Agreement complies with section 49-03-06 of the North Dakota Century Code (N.D.C.C.) and whether the approval of the Service Area Agreement and resulting certificate issuance are compatible with the public interest.

On March 25, 2009 the Commission discussed the issues with Commission staff and the applicants at an informal hearing. The applicants contend that the agreement will:

1. Avoid misunderstanding and disagreement over areas to be served by each party;
2. Accomplish the legislative intent of N.D.C.C. section 49-03-06 to encourage harmony and operational efficiency among electric providers, promote safety, discourage unreasonable duplication of electric facilities, assure adequate and reliable electric service and provide antitrust immunity to the electric providers; and

3. Provide both parties with equitable participation in the provision of electric distribution service within undeveloped areas annexed to the City of Stanley during the term of the agreement.

Having considered this matter the Commission finds that the Service Area Agreement complies with N.D.C.C. section 49-03-06 and that approval of the Service Area Agreement and resulting certificate issuance are compatible with the public interest. Therefore, the Commission issues the following:

Order

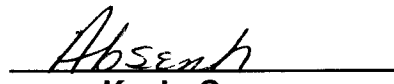
The Commission Orders:

1. The electric service agreement filed jointly by Montana-Dakota Utilities Co. and Mountrail-Williams Electric Cooperative is APPROVED.
2. Montana Dakota Utilities Co. is issued Certificate of Public Convenience and Necessity No. 5394 authorizing the provision of electric service to customers within the agreed upon service area around the city of Stanley.

PUBLIC SERVICE COMMISSION



Tony Clark
Commissioner



Kevin Cramer
President



Brian P. Kalk
Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity
Certificate Number 5394**

This is to certify that public convenience and necessity require, and permission is granted for Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., to provide electric service to customers in areas around the city of Stanley, North Dakota as established in an electric service agreement negotiated with Mountrail-Williams Electric Cooperative and approved by the Commission in Case No. PU-09-39.

This certificate is issued in accordance with the Order of this Commission dated April 13, 2009 in Case Nos. PU-09-39 and PU-09-40 and is subject to the conditions and limitations noted in the Order.

This certificate is conditioned upon Montana-Dakota Utilities Co. securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, April 3, 2009.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner