

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co., a Division of MDU
Resources Group, Inc.
Disposal of Franchise, Works & System – White Earth
Application**

Case No. PU-11-230

ORDER APPROVING APPLICATION

September 20, 2011

On June 6, 2011, Montana-Dakota Utilities Co. (MDU), a Division of MDU Resources Group, Inc., an electric public utility, filed an application under North Dakota Century Code Section 49-04-05, to transfer its distribution franchise, works and system used in the provision of electric distribution service within the community of White Earth, North Dakota to Mountrail-Williams Electric Cooperative. MDU requested approval for release of its authority and obligation to provide electric service to the community of White Earth.

On July 13, 2011 the Commission issued a Notice of Opportunity for Hearing, which provided until August 26, 2011 for receiving written comments and hearing requests. No responses were received. The notice identified the issue to be considered in this proceeding as whether MDU's proposal should be approved.

On September 7, 2011, the Commission discussed the issues with Commission Staff, MDU and Mountrail-Williams at informal hearing. MDU contends the transfer will:

1. Avoid the investment necessary to refurbish or replace MDU's existing nine mile 12.5 kv distribution line used to serve White Earth.
2. Free up capacity at the Tioga Substation for use by MDU in providing service to other customers.
3. Reduce the number of electric lines within the corridor currently used by MDU's distribution line.

A newer and shorter distribution line will be built by Mountrail-Williams to serve White Earth.

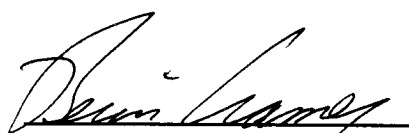
Having considered this matter, the Commission finds that the transfer of MDU's distribution franchise, works and system used in the provision of electric distribution service within the community of White Earth, North Dakota to Mountrail-Williams Electric Cooperative is not injurious to the public and therefore compatible with the public interest. Therefore, the Commission issues the following:

Order

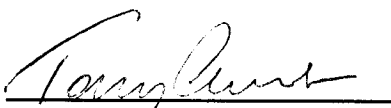
The Commission orders:

1. Subject to the provisions of this order, the application of MDU for transfer of its distribution franchise, works and system used in the provision of electric distribution service within the community of White Earth, and its surrounding area in North Dakota, to Mountrail-Williams Electric Cooperative is APPROVED.
2. MDU shall provide written notice to the Commission of the transfer date not less than 5 business days prior to the transfer date. This order of approval shall be effective upon the date indicated in the written notice.
3. This order shall be void if written notice of the transfer date is not received by the Commission prior to April 1, 2012.

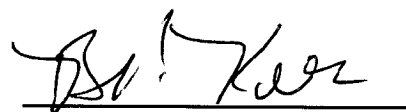
PUBLIC SERVICE COMMISSION



Kevin Cramer
Commissioner



Tony Clark
Chairman



Brian P. Kalk
Commissioner