

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc./Burke-Divide
Electric Cooperative, Inc.
City of Kenmare
Service Area Agreement**

Case No. PU-12-231

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

Case No. PU-12-232

ORDER APPROVING ELECTRIC SERVICE AREA AGREEMENT

August 13, 2012

On May 25, 2012, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU). and Burke Divide Electric Cooperative, Inc. (Burke-Divide) 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 Burke-Divide within and around the City of Kenmare, North Dakota. MDU further requests issuance of 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 June 20, 2012 the Commission issued a Notice of Filing, Notice of Informal Hearing and Notice of Opportunity for Hearing, which provided until July 31, 2012 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 August 1, 2012 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 Kenmare 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 area agreement filed jointly by Montana-Dakota Utilities Co. and Burke-Divide Electric Cooperative is APPROVED.
2. Montana Dakota Utilities Co. is issued Certificate of Public Convenience and Necessity No. 5482 authorizing the provision of electric service to customers within the agreed upon service area around the city of Kenmare.

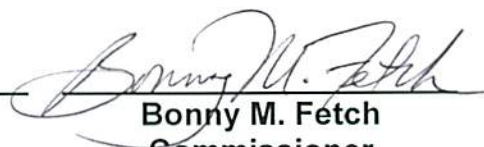
PUBLIC SERVICE COMMISSION



Kevin Cramer
Commissioner



Brian P. Kalk
Chairman



Bonny M. Fetch
Commissioner

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**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity
Certificate Number 5482**

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 serve customers in areas around the city of Kenmare, North Dakota as established in an electric service area agreement negotiated with Burke-Divide Electric Cooperative, Inc. and approved by the Commission in Case No. PU-12-231.

This certificate is issued in accordance with the Order of this Commission dated August 13, 2012 in Case Nos. PU-12-231 and PU-123-232, and is subject to the conditions and limitations noted in the Order.

This certificate is conditioned upon Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. 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, August 13, 2012.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner