

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

MDU/McKenzie Electric Cooperative, Inc.
City of Watford City
Service Area Agreement

Case No. PU-14-158

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

Case No. PU-14-157

AFFIDAVIT OF SERVICE BY CERTIFIED & REGULAR MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Cara DeSaye deposes and says that:

She is over the age of 18 years and not a party to this action, and, on the **12th** day of **June, 2014**, she deposited in the United States Mail, at Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

Order Approving Electric Service Area Agreement

and an original of:

Certificate Number 5836

The envelope was addressed as follows:

Tamie Aberle
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck ND 58501

Cert. No. 7012 2210 0001 5060 9873

Cara DeSaye further deposes and says that on the **12th** day of **June, 2014**, she deposited in the United States Mail, Bismarck, North Dakota, **three** envelopes by regular mail, with postage fully prepaid, securely sealed, containing a photocopy of the same:

Daniel Kuntz
MDU Resources Group, Inc.
PO Box 5650
Bismarck ND 58502-5650

Carol Larson
Pringle & Herigstad Law Firm
PO Box 1000
Minot ND 58701

John Skurupey
McKenzie Electric Cooperative, Inc.
908 4th Ave NE
Watford City ND 58854

Each address shown is the respective addressee's last reasonably ascertainable post office address.

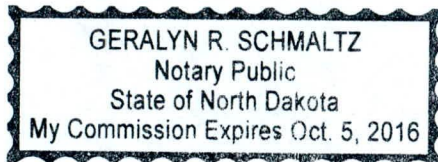
Subscribed and sworn to before me
this 12th day of **June, 2014**.





Notary Public

SEAL



**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

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ORDER APPROVING ELECTRIC SERVICE AREA AGREEMENT

June 11, 2014

On April 4, 2014, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU) and McKenzie Electric Cooperative, Inc. (McKenzie Electric) 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 McKenzie Electric within and around the city of Watford City, North Dakota. MDU further requested 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 April 23, 2014 the Commission issued a Notice of Filing, Notice of Informal Hearing and Notice of Opportunity for Hearing, which provided until May 30, 2014 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, and whether the approval of the Service Area Agreement and resulting certificate issuance are compatible with the public interest.

On May 6, 2014 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 in areas within and around the city of Watford City 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 McKenzie Electric Cooperative, Inc. is APPROVED.
2. Montana Dakota Utilities Co. is issued Certificate of Public Convenience and Necessity No. 5836 authorizing the provision of electric service to customers within the agreed upon service area around the city of Watford City.

PUBLIC SERVICE COMMISSION


Randy Christmann
Commissioner


Brian P. Kalk
Chairman


Julie Fedorchak
Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity
Certificate Number 5836**

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 and around the city of Watford City, North Dakota as established in an electric service area agreement negotiated with McKenzie Electric Cooperative, Inc. and approved by the Commission in Case No. PU-14-158.

This certificate is issued in accordance with the Order of this Commission dated June 11, 2014 in Case No. PU-14-157, 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, June 11, 2014.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner