

**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**

**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.

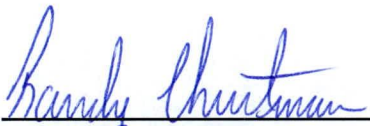
Having considered this matter the Commission finds that the Service Area Agreement complies with N.D.C.C. section 49-03-06 and that approval of the Service Area Agreement and resulting certificate issuance are compatible with the public interest. Therefore, the Commission issues the following:

**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**