

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities / Roughrider
Cooperative, Inc.
City of South Heart
Service Area Agreement**

Case No. PU-17-230

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

Case No. PU-17-231

**ORDER ON ELECTRIC SERVICE AREA AGREEMENT AND CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY**

August 16, 2017

Preliminary Statement

On May 25, 2017, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU) and Roughrider Electric Cooperative, Inc. (Roughrider) 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 Roughrider within and around the city of South Heart, 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 June 16, 2017, the Commission issued a Notice of Filing and Notice of Opportunity for Consolidated Hearing, which provided until July 31, 2017 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 July 26, 2017, the Commission discussed the issues with Commission staff and the applicants at an informal hearing.

Discussion

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 Beulah during the term of the agreement.

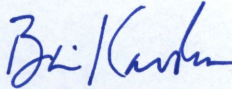
Having considered this matter the Commission finds that the Service Area Agreement complies with N.D.C.C. section 49-03-06 and that approval of the Service Area Agreement and resulting certificate issuance are compatible with the public interest. Therefore, the Commission issues the following:

Order

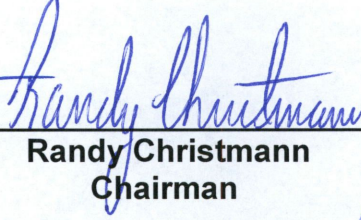
The Commission Orders:

1. The electric service area agreement filed jointly by Montana-Dakota Utilities Co. and Roughrider Cooperative, Inc. is APPROVED.
2. Montana Dakota Utilities Co. is issued Certificate of Public Convenience and Necessity No. 5910 authorizing the provision of electric service to customers within the agreed upon service area around the city of South Heart.

PUBLIC SERVICE COMMISSION



Brian Kroshus
Commissioner



Randy Christmann
Chairman



Julie Fedorchak
Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity
Certificate Number 5910**

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 South Heart, North Dakota as established in the electric service area agreement approved by the Commission in Case No. PU-17-230.

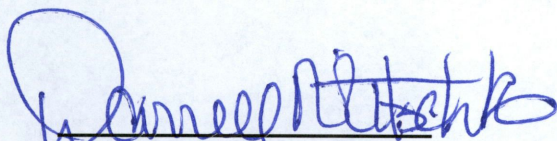
This certificate is issued in accordance with the Order of this Commission dated August 16, 2017 in Case No. PU-17-231, and is subject to the conditions and limitations noted in the Order.

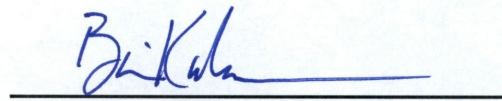
This certificate is conditioned upon Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, August 16, 2017.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner