

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co. / Great Plains  
Holding Company Structure  
Application**

**Case No. PU-18-75**

**ORDER**

**June 27, 2018**

On January 31, 2018, Montana-Dakota Utilities Co. (Montana-Dakota) and Great Plains Natural Gas Company (Great Plains) filed an application to implement a plan of reorganization through which Montana-Dakota and Great Plains, currently operating divisions of MDU Resources Group, Inc. (MDU Resources), will become a wholly-owned subsidiary of a newly formed holding company. The operations of Great Plains will be conducted as a division of Montana-Dakota. The applicants contend that the new holding company will:

- Increase the degree of financial separation between MDU Resources and its other regulated and non-regulated affiliates and reduce financial and legal risk;
- Not alter the Commission's ability to effectively regulate the utility operations;
- Continue to provide safe and reliable electric and natural gas service to customers;
- Create a more transparent business structure that is more understandable to stakeholders and customers;
- Offer flexibility for the public utility business to separately access capital markets.
- Not result in employment changes.
- Not result in changes to currently effective electric and natural gas service rates.

On April 11, 2018, the Commission issued a Notice of Opportunity for Hearing, which provided until May 31, 2018 for receiving written comments and hearing requests. The notice identified the issue to be considered in this case is whether the holding company structure is in the public interest.

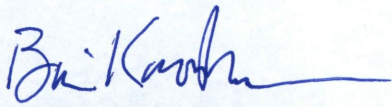
On June 13, 2018, an informal hearing was held to discuss the application.

The Commission finds that the Holding Company Corporate Structure Application is in the public interest. The reorganization will create legal separation from the parent company and result in a more secure utility operation. The legal separation will allow the utility to separately access capital markets; protect ratepayers from non-regulated financial risks; and will make the allocation of corporate wide services and costs easier to track and review.

**Order**

The Commission Orders the application of Montana-Dakota and Great Plains to become a wholly-owned subsidiary of a newly-formed holding company is APPROVED.

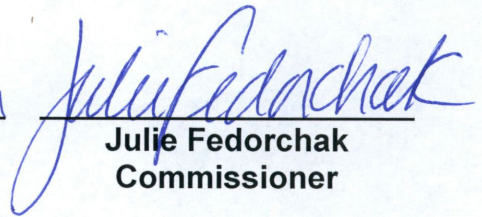
**PUBLIC SERVICE COMMISSION**



**Brian Kroshus**  
Commissioner



**Randy Christmann**  
Chairman



**Julie Fedorchak**  
Commissioner