

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co.
a Division of MDU Resources Group, Inc.
Electric Service Agreement – Tesoro Refinery
Approval**

Case No. PU-18-434

ORDER

July 25, 2019

Preliminary Statement

On December 28, 2018, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU) filed Amendment No. 2 Electric Service Agreement between Tesoro Refining & Marketing Company, LLC (Tesoro) and MDU.

On May 7, 2019, MDU filed a Settlement Agreement negotiated with Public Service Commission Advocacy Staff, intended to resolve all outstanding issues between the settling parties in this case.

On June 12, 2019, the Commission issued a Notice of Opportunity for Hearing that provided until July 22, 2019 for receiving written comments and hearing requests. No response was received.

On July 10, 2019, the Commission discussed this matter with MDU, Commission Staff and Tesoro during an Informal Hearing.

Discussion

Amendment No. 2 provides for continued sale of all firm electric power required by Tesoro at a rate other than the applicable General Electric Service Rate 30. Under the Settlement Agreement MDU will charge Amendment No. 2 rates to Tesoro until MDU's next general rate case when a new study of costs to serve Tesoro will be completed. The Commission's Notice of Opportunity for Hearing identified the issue to be considered is whether the Settlement Agreement is just and reasonable and should be approved.

Having considered this matter, the Commission finds the Settlement Agreement is just and reasonable and should be approved. Therefore, the Commission issues its:

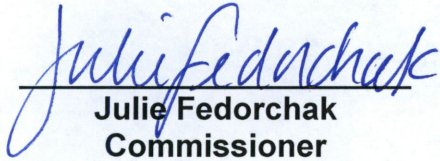
Order

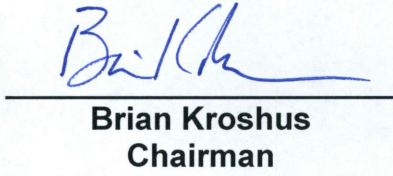
The Commission Orders:

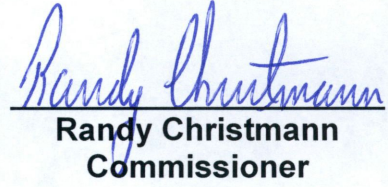
1. The Settlement Agreement between Commission Staff and MDU filed on May 7, 2019 is approved.

2. Amendment No. 2 to the Electric Service Agreement between Tesoro Refining & Marketing Company, LLC and MDU is approved.

PUBLIC SERVICE COMMISSION


Julie Fedorchak
Commissioner


Brian Kroshus
Chairman


Randy Christmann
Commissioner