

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**MDU Resources Group, Inc. and its Divisions
Montana-Dakota Utilities Co.
Great Plains Natural Gas Co.
Acquisition of Cascade Natural Gas Corporation
Application**

Case No. PU-06-491

**NOTICE OF OPPORTUNITY FOR HEARING AND
NOTICE OF INFORMAL HEARING**

February 7, 2007

On November 17, 2006, in Case No. PU-06-491, MDU Resources Group, Inc. (MDU), and its Divisions, Montana-Dakota Utilities Co. and Great Plains Natural Gas Co. filed an application for authorization to acquire the stock of Cascade Natural Gas Corporation. Both Montana-Dakota Utilities Co. and Great Plains Natural Gas Corporation provide utilities service in North Dakota.

Cascade is an investor-owned gas utility with its headquarters in Seattle, Washington. It is engaged in business as a local natural gas distribution company in 93 communities in Washington and Oregon. Cascade currently provides natural gas utility service to approximately 235,000 customers with a service territory covering more than 32,000 square miles.

As of July 8, 2006, MDU and Cascade entered into the Agreement to merge. The shareholders of Cascade approved the Agreement on October 27, 2006. Approval by the shareholders of MDU is not required.

The applicant contends that the acquisition:

- Is in the public interest and should be approved;
- Will not adversely affect its North Dakota utilities operations;
- Provides an opportunity for growth in a new and expanding market;
- Will have no immediate impact on the rates and tariffs of North Dakota customers;
- Provides for sharing expertise and spreading administrative and operating costs over a larger organization;
- Will not affect MDU's credit rating.

The issue to be considered in this case is whether the merger is in the public interest.

Those interested are invited to comment on the application in writing. Persons desiring a hearing must file a written request identifying their interest in the proceeding and the reasons for requesting a hearing. Comments and requests for hearings must be received by **March 2, 2007**. If deemed appropriate, the Commission can determine the matter without a hearing.

An **informal hearing** of these matters has been scheduled for **February 23, 2007 at 1:30 p.m. CST** in the Commission Hearing Room on the 12th Floor of the State Capitol in Bismarck.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400; or Relay North Dakota 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials please notify Illona Jeffcoat-Sacco, Executive Secretary.

PUBLIC SERVICE COMMISSION

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