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**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

In the Matter of the Joint Application of
MDU RESOURCES GROUP, INC. and
CASCADE NATURAL GAS
CORPORATION

For an Order Authorizing Proposed
Transaction

Docket No. UG-061721

**JOINT APPLICANTS' MOTIONS FOR
LEAVE TO FILE REVISIONS TO
APPLICATION AND TESTIMONY AND
TO MODIFY PROCEDURAL
SCHEDULE**

MOTIONS

1. Joint Applicants MDU Resources Group, Inc. ("MDU Resources") and Cascade Natural Gas Corporation respectfully move the Commission pursuant to WAC 480-07-460(1)(b)(ii) for an order granting them leave to file revisions to the Application and to MDU Resources' pre-filed direct testimony in the form submitted on this date.
2. Joint Applicants also move the Commission pursuant to WAC 480-07-385 for an order modifying the remaining procedural schedule in this proceeding as follows:

JOINT APPLICANTS' MOTIONS FOR LEAVE TO
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MODIFY PROCEDURAL SCHEDULE – 1
62016-0002/LEGAL13107238.1

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Event	Current Date	Modified Date
Response Testimony	April 6, 2007	April 25, 2007
Rebuttal/Cross-Answering Testimony	April 25, 2007	May 16, 2007
Evidentiary Hearing	May 14 – 16, 2007	June 25 – 27, 2007 ¹
Simultaneous Briefs	June 8, 2007	July 20, 2007

STATEMENT OF FACTS

3. The parties in this case have been engaged in settlement discussions since March 5, 2007. This has included several meetings via telephone conference as well as consideration of written settlement proposals. During the course of these discussions, MDU Resources agreed to change the structure of the proposed transaction, to make Cascade an indirect subsidiary of MDU Resources, to address concerns raised by Staff and the other parties.

4. The parties also agreed that it would streamline the process of preparing response testimony if these agreed-upon changes to the structure of the proposed transaction were reflected in the application and direct testimony, so that parties filing responsive testimony would not be required to address in testimony issues that already have been resolved. The proposed revisions to the application and testimony address these structural changes to the proposed transaction.

5. In connection with MDU Resources' making these structural changes to the proposed transaction, Cascade is prepared to make the following additional commitment to obtain a non-consolidation opinion, if that is agreeable to the other parties:

Within three months of closing of the Acquisition, Cascade commits to obtain a non-consolidation opinion to the effect that, subject to customary limitations and qualifications, if the ring-fencing around Cascade is maintained and the matter is

¹ The parties have confirmed with the Hearings Division that these dates are available for a hearing.

1 properly briefed and presented, a bankruptcy court, on its own
2 or upon proper request of a party in interest in a case under the
3 United States Bankruptcy Code commenced against MDU
4 Resources, would not order the substantive consolidation of
5 the assets and liabilities of Cascade with those of MDU
6 Resources. Cascade commits to promptly file such opinion
7 with the Commission. If the ring-fencing provisions of this
8 agreement are insufficient to obtain a non-consolidation
9 opinion, Cascade agrees to promptly undertake the following
10 actions:

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12 a. Notify the Commission of this inability to
13 obtain a non-consolidation opinion.

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15 b. Propose and implement, upon consultation with
16 Commission Staff and parties to this stipulation and
17 Commission approval, such ring-fencing provisions that are
18 sufficient to obtain such a non-consolidation opinion.

19 Obtaining this opinion, however, will require some modifications to the existing
20 commitments to remove any obligations, including financial obligations, of MDU Resources
21 regarding the regulated operations of Cascade.
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25 6. In order that the parties may have adequate time to prepare their response testimony,
26 the parties agreed (a) that Joint Applicants would file proposed revisions to the Application
27 and direct testimony by March 23, 2007, (b) that the date for filing response testimony
28 should be extended to allow responding parties sufficient time to prepare their response
29 testimony following that date, and (c) that the remainder of the schedule should be modified
30 to make corresponding changes. All parties agree that the schedule should be modified as
31 indicated above.
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39 40 CONCLUSION

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42 7. For the foregoing reasons, Joint Applicants respectfully request that the Commission
43 grant these motions and (1) grant leave to Joint Applicants to file revisions to the
44 Application and to MDU Resources' pre-filed direct testimony in the form submitted
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JOINT APPLICANTS' MOTIONS FOR LEAVE TO
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1 herewith and (2) modify the remaining procedural schedule in this proceeding as
2 indicated above.
3

4
5 DATED: March 23, 2007

PERKINS COIE LLP

6
7
8 By: 

9
10 James M. Van Nostrand, WSBA No.
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JOINT APPLICANTS' MOTIONS FOR LEAVE TO
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served this **JOINT APPLICANTS' MOTIONS FOR LEAVE TO FILE REVISIONS TO APPLICATION AND TESTIMONY AND TO MODIFY PROCEDURAL SCHEDULE**, in Docket UG-061721, by causing a copy to be sent by electronic mail and U.S. mail to:

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Dated this 23rd day of March, 2007.

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