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July 13, 2007

VIA E-MAIL AND FIRST CLASS MAIL

Carole Washburn
Executive Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
PO Box 47250
Olympia, WA 98504-7250

Re: 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

Dear Ms. Washburn:

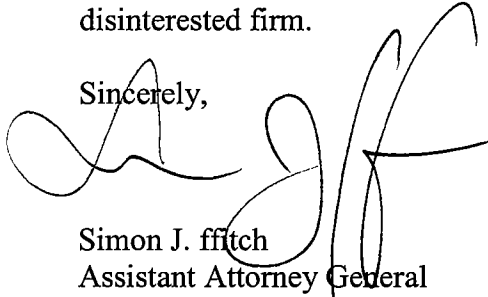
On July 10, 2007, MDU Resources Group (MDU) filed a letter with the Commission indicating that it intends to retain the law firm of Perkins Coie, LLP (Perkins) to provide the non-consolidation opinion required by the settlement agreement and order approving the merger in this matter (Stipulation, Commitment 30). An MDU witness under oath at the June 18 settlement hearing represented to the Commission that an independent law firm would be employed to provide the opinion. While the settlement agreement does not expressly address whether the opinion must be obtained from an independent firm, the purpose of Commitment 30 is clearly effectively served only by obtaining the opinion from an independent source.

Public Counsel concurs with the concerns raised by Mr. Trautman, counsel for Commission Staff, in the letter filed today (July 13, 2007) with Judge Moss. Because Perkins represented the

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merging parties and zealously advocated for regulatory approval of the transaction, it is Public Counsel's opinion that Perkins is not an independent law firm with respect to this matter. Public Counsel, therefore, agrees with the Staff recommendation that MDU obtain the opinion from a disinterested firm.

Sincerely,

A handwritten signature in black ink, appearing to read "S. J. Fitch", written over the word "Sincerely,".

Simon J. Fitch
Assistant Attorney General
Public Counsel Section
(206) 464-6595

Sf:kez

cc: Honorable Dennis Moss (email only)
Service List (E-mail & First Class Mail)