



Rob McKenna

## ATTORNEY GENERAL OF WASHINGTON

Utilities and Transportation Division

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July 13, 2007

### Via E-mail and US Mail

Dennis Moss, Administrative Law Judge  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, WA 98504-7250

RE: *Joint Application of Cascade Natural Gas Corp. and MDU Resources  
for Transfer of Property*  
Docket No. UG-061721

Dear Judge Moss:

By this letter, Commission Staff replies to the letter of July 10, 2007, sent to you by MDU Resources Group, Inc. ("MDU"), concerning its commitment to obtain a non-consolidation opinion as a condition to obtaining Commission approval of MDU's acquisition of Cascade Natural Gas Corporation ("Cascade"). At the June 18, 2007, settlement hearing, Commissioner Jones sought clear confirmation that MDU would obtain a non-consolidation opinion from "an independent law firm, independent from the law firm that represents you currently, correct?" (Tr. at 43:19-23.) In response, MDU's witness Mr. Goodin said, "That's correct, Commissioner." (Tr. at 43: 24).

Now, however, MDU has informed the Commission that it will obtain a non-consolidation opinion from Perkins Coie, LLP ("Perkins"). MDU acknowledges, as it must, that Perkins is "familiar with the [acquisition] transaction." It certainly is; in fact, it is the very firm that has jointly represented MDU and Cascade in both Washington and Oregon in their effort to obtain regulatory approvals for the acquisition.

Staff, thus, respectfully disagrees with MDU's contention that Perkins can or should be viewed as an "independent law firm." Staff also believes that MDU's proposal is not consistent with the intent of Commitment 30 to the parties' joint Stipulation. A non-consolidation opinion, one of the stipulated requirements for Commission approval of the acquisition transaction, whose approval was sought by, among others, Perkins on behalf of



Moss  
July 13, 2007  
Page 2

MDU and Cascade, should be provided by a disinterested and independent law firm to avoid any possible perception of a conflict of interest.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory J. Trautman". The signature is written in a cursive style with a large, prominent initial "G".

GREGORY J. TRAUTMAN  
Assistant Attorney General

GJT:tmw

cc: Parties