

MONTANA-DAKOTA UTILITIES CO.
A Division of MDU Resources Group, Inc.

Direct Testimony of Bruce T. Imsdahl

1 **Q. Please state your name and business address.**

2 A. My name is Bruce T. Imsdahl and my business address is 400 North
3 Fourth Street, Bismarck, North Dakota 58501.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am the President and CEO of Montana-Dakota Utilities Co. (Montana-
6 Dakota), a Division of MDU Resources Group, Inc. and Great Plains
7 Natural Gas Co. (Great Plains), also a Division of MDU Resources Group,
8 Inc. I am testifying in this proceeding on behalf of MDU Resources Group,
9 Inc. (MDU Resources).

10 **Q. Please describe your duties and responsibilities with Montana-**
11 **Dakota and Great Plains.**

12 A. I have executive responsibility for the development, coordination, and
13 implementation of company strategies and policies relative to all areas of
14 their operations.

15 **Q. Please outline your educational and professional background.**

16 A. In 1970, I received a Bachelor of Science degree in Mechanical
17 Engineering from North Dakota State University, Fargo, North Dakota. I
18 was granted certificates of attainment from the Joseph M. Krazt Graduate
19 School of Business in Management Program for Executives from the

1 University of Pittsburgh, Pittsburgh, Pennsylvania in 1990 and from the
2 Graduate School of Business, Stanford University in the Executive
3 Management Program in 2003.

4 Upon graduating from college in 1970, I began my career with
5 Montana-Dakota as a results engineer at the Lewis & Clark electric
6 generating station. In 1973, I took an engineering position at the
7 corporate office and was responsible for the engineering at five of our
8 electric generating stations. In 1979, I transferred to the Lewis & Clark
9 Station as the Plant Superintendent, where I was responsible for all
10 engineering, operations, and maintenance of the electric generation plant.
11 In 1983, I transferred to the R. M. Heskett Station as the Plant Manager,
12 where I was again responsible for all engineering, operations and
13 maintenance of that generation plant. In 1985, I transferred to the
14 corporate office as Generation Manager, where I became responsible for
15 all the electric generating plants that Montana-Dakota owned and
16 operated and the Company's Environmental Department. In 1989, I
17 became Vice President - Power Supply and, in November 1992, I was
18 named Vice President - Energy Supply assuming responsibility for natural
19 gas supply as well as the electric power supply. In February 2003, I was
20 named Executive Vice President. I became President of Montana-Dakota
21 and Great Plains in July 2003 and became President and CEO in
22 November 2004.

1 I am a Registered Professional Engineer in North Dakota and
2 Montana. I also have been involved with the activities of the Electric
3 Power Research Institute, the Edison Electric Institute, the University of
4 North Dakota Energy & Environmental Research Center, and the
5 American Gas Association.

6 **Q. Have you previously testified in proceedings before regulatory**
7 **agencies?**

8 A. Yes. I previously testified before the Minnesota Public Utilities
9 Commission and the Montana Public Service Commission and submitted
10 written testimony in proceedings before the North Dakota and Montana
11 Public Service Commissions as well as the Minnesota and South Dakota
12 Public Utilities Commissions.

13 **Q. What position will you hold with Cascade Natural Gas Corporation**
14 **(Cascade) after the proposed acquisition is closed?**

15 A. I will serve as Cascade's Chief Executive Officer and as a member of its
16 board of directors.

17 **Q. What is the purpose of your testimony in this proceeding?**

18 A. The purpose of my testimony is as follows:

- 19 • to describe MDU Resources and its subsidiaries and divisions,
20 • to describe MDU Resources' proposed acquisition of Cascade,
21 • to explain the reasons for MDU Resources' proposed acquisition of
22 Cascade, and

- 1 • to demonstrate that the transaction will benefit Cascade’s customers,
2 employees and communities, and to describe Cascade’s operations
3 once the transaction is completed.

4 **Q. Will you please identify the other witnesses who will testify on behalf**
5 **of MDU Resources in this proceeding?**

6 A. Yes. In addition to me, the following witnesses will be testifying on behalf
7 of MDU Resources:

- 8 ◆ John F. Renner, Executive Vice President, Finance and Chief
9 Accounting Officer of Montana-Dakota and Great Plains, will testify on
10 the details of MDU Resources’ corporate structure and the location of
11 Cascade within the corporation, MDU Resources’ capital structure, the
12 ring-fencing provisions that will be employed by MDU Resources, the
13 financial and accounting aspects of the transaction, the financial and
14 structural commitments offered, the opportunities for cost savings, and
15 the assignment and allocation of the costs of common administrative
16 and support services that will be provided to Cascade.
- 17 ◆ Donald R. Ball, Vice President – Regulatory Affairs of Montana-Dakota
18 and Great Plains, will explain why the transaction is in the public
19 interest, and will describe (1) the commitments proposed by MDU
20 Resources, (2) the similarities between Montana-Dakota, Great Plains
21 and Cascade, (3) Montana-Dakota’s and Great Plains’ experiences as
22 regulated utilities operated as divisions of MDU Resources, and (4) the
23 regulatory relationships and requirements related to this transaction.

1 In addition to these MDU Resources witnesses, David W. Stevens,
2 President and CEO of Cascade, will testify regarding Cascade's support
3 for the proposed transaction and the reasons for the sale of Cascade.

4 **Q. Will you please describe MDU Resources and its subsidiaries and**
5 **divisions?**

6 A. Yes. MDU Resources, through its utility divisions Montana-Dakota and
7 Great Plains, and through its subsidiary business units, is engaged in
8 several lines of business which focus on the energy and natural resources
9 industries: natural gas distribution, electric generation, transmission and
10 distribution, natural gas and oil production, construction materials and
11 mining, domestic and international independent power production, natural
12 gas pipeline and energy services, and construction services. MDU
13 Resources' six major business units are described below.

14 **Natural Gas and Electric Distribution – Montana-Dakota Utilities Co.**
15 **and Great Plains Natural Gas Co.**

16 MDU Resources has been engaged in the utility business for over
17 80 years. MDU Resources, through its utility division Montana-Dakota,
18 provides natural gas distribution service to approximately 228,000
19 customers in 144 communities in the states of Montana, North Dakota,
20 South Dakota, and Wyoming. Montana-Dakota also provides electric
21 service to over 118,000 retail customers in 177 communities in North
22 Dakota, South Dakota, Montana, and Wyoming. The electric operation is

1 a vertically integrated utility which owns four generation plants and has an
2 ownership interest in two additional generation facilities.

3 In July 2000, MDU Resources acquired and has since operated
4 Great Plains. Great Plains provides natural gas distribution service to
5 approximately 23,000 customers in 19 communities in western Minnesota
6 and southeastern North Dakota.

7 **Pipeline and Energy Services – WBI Holdings, Inc.**

8 WBI Holdings, Inc., primarily through its subsidiaries Williston Basin
9 Pipeline Company and Bitter Creek Pipelines, provides natural gas
10 transportation, underground storage, and gathering services through
11 regulated and unregulated pipeline systems primarily in the Rocky
12 Mountain and northern Great Plains regions of the United States. Its
13 interstate natural gas pipeline and storage operations are regulated by the
14 Federal Energy Regulatory Commission.

15 **Natural Gas and Oil Production – Fidelity Exploration & Production**
16 **Company**

17 Fidelity Exploration & Production Company, also a subsidiary of
18 WBI Holdings, Inc., is engaged in natural gas and oil acquisition,
19 exploration, development, and production activities primarily in the Rocky
20 Mountain and Mid-Continent regions of the United States and in and
21 around the Gulf of Mexico.

1 **Independent Power Production – Centennial Energy Resources**

2 Centennial Energy Resources LLC owns, builds, and operates
3 electric generating facilities in the United States and has investments in
4 domestic and international natural resource-based projects. Electric
5 capacity and energy produced at its power plants are sold primarily under
6 mid- and long-term contracts to nonaffiliated entities.

7 **Construction Materials and Mining – Knife River Corporation**

8 Knife River Corporation mines aggregates and markets crushed
9 stone, sand, gravel, and related construction materials, including ready-
10 mixed concrete, cement, asphalt, and other value-added products, as well
11 as performs integrated construction services, in the central and western
12 regions of the United States, including Washington, Oregon, California,
13 Idaho, Montana, Alaska, and Hawaii.

14 **Construction Services – MDU Resources Construction Services**
15 **Group, Inc.**

16 MDU Construction Services Group, Inc. offers utilities and large
17 manufacturing, commercial, government, and institutional customers a
18 diverse array of products and services. The construction services
19 segment specializes in electrical line construction, pipeline construction,
20 inside electrical wiring and cabling, mechanical services, and the
21 manufacture and distribution of specialty equipment. MDU Construction

1 Services Group, Inc. currently operates in many states, including
2 Washington, Oregon, California, Colorado, Montana and Nevada.

3 **Q. How substantial are MDU Resources' current operations in Oregon**
4 **and Washington?**

5 A. Through its various operating companies, MDU Resources employed
6 nearly 3,000 persons in Washington and Oregon as of September 30,
7 2006, including over 340 persons in Washington.

8 **Q. Please describe MDU Resources' proposed acquisition of Cascade.**

9 A. On July 8, 2006, MDU Resources, Firemoon Acquisition, Inc. (Merger
10 Sub), and Cascade entered into the Agreement and Plan of Merger
11 (Agreement). A copy of the Agreement is provided as Appendix 1 to the
12 Application. Pursuant to the Agreement, upon the closing of the
13 transaction, Merger Sub, a Washington corporation that is a wholly owned
14 subsidiary of MDU Resources, will merge with and into Cascade, with
15 Cascade continuing in existence as the surviving corporation (Surviving
16 Corporation). Each share of Cascade common stock will be canceled and
17 converted into the right to receive \$26.50, on the terms set forth in the
18 Agreement. Each share of common stock of Merger Sub will be converted
19 into one share of common stock of the Surviving Corporation. Upon
20 completion of the transaction, Cascade will be a direct, wholly owned
21 subsidiary of MDU Resources, as illustrated in the summary
22 organizational chart shown as Exhibit No.____(BTI-2).

1 The proposed acquisition is subject to customary closing
2 conditions, including the receipt of required state regulatory approvals.
3 Cascade shareholders approved the proposed transaction in a special
4 meeting of shareholders on October 27, 2006, as discussed in Mr.
5 Stevens' testimony. In addition to seeking approval from this Commission
6 and the Public Utility Commission of Oregon, MDU Resources will seek
7 approval of the acquisition from the commissions in two of the states in
8 which it already operates public utilities: the North Dakota Public Service
9 Commission and the Minnesota Public Utilities Commission.

10 **Q. Does MDU Resources view Cascade as a short-term or long-term**
11 **investment?**

12 A. Like its other acquisitions, MDU Resources plans to own Cascade for the
13 long term.

14 **Q. What priority will MDU Resources give to Cascade's capital**
15 **requirements?**

16 A. MDU Resources commits that the capital requirements of Cascade, as
17 determined to be necessary to meet its obligation to provide safe and
18 reliable service to the public, will be given a high priority by MDU
19 Resources. See Commitment No. 18 in Exhibit No.____(DRB-2) to Mr.
20 Ball's testimony.

21 **Q. Please describe the MDU Resources organizational structure after**
22 **the proposed merger with Cascade and businesses that will become**
23 **affiliated interests of Cascade after the proposed merger.**

1 A. As described above, Cascade will be held as a wholly owned, first-tier
2 subsidiary of MDU Resources. Montana-Dakota and Great Plains will
3 continue to be held as divisions of MDU Resources. All of MDU
4 Resources' other business units and operating companies will continue to
5 be held as indirect subsidiaries under Centennial Energy Holdings, Inc.,
6 which is a first-tier subsidiary of MDU Resources.

7 **Q. Please describe the reasons for MDU Resources' proposed**
8 **acquisition of Cascade.**

9 A. MDU Resources seeks to maintain an alignment between its regulated
10 and non-regulated business units to provide a reasonable balance of
11 business growth and risk. While MDU Resources' non-regulated business
12 units have seen substantial growth over the past 20 years, the
13 opportunities to expand its regulated business units in a rational manner
14 are relatively limited. Internal growth of its utility operations is limited by
15 the population and economic growth of its traditional service areas. In
16 seeking growth of the utility operations through acquisition and merger,
17 MDU Resources has required an acquisition or merger candidate that is a
18 good fit from a strategic, size, and geographic standpoint. Cascade meets
19 those requirements.

20 **Q. Please explain why Cascade is a good fit with MDU Resources.**

21 A. Cascade's natural gas distribution business is in an area of MDU
22 Resources' core business competency, as it has successfully operated in
23 the same business for over 80 years. MDU Resources' experience in the

1 industry reduces the integration and operational risks of the proposed
2 merger. Cascade is similar in size to Montana-Dakota's existing natural
3 gas business, both of which are relatively modest by industry standards.
4 Therefore, the proposed merger with Cascade allows MDU Resources to
5 essentially double the size of its natural gas distribution business without
6 incurring significant financial risk.

7 From a geographic perspective, Cascade operates in a high growth
8 area with a diverse customer mix located in small to mid-sized
9 communities that are similar to Montana-Dakota's service areas, which
10 again reduces the integration and operational risks of the transaction.
11 Cascade's service areas are relatively close geographically compared to
12 those of Montana-Dakota and are located in a region where MDU
13 Resources has considerable experience and exposure in its other
14 business operations. This transaction helps diversify MDU Resources'
15 utility market without substantial integration and cultural obstacles.

16 **Q. What is MDU Resources' experience in operating a distribution**
17 **utility?**

18 A. MDU Resources got its start in 1924 as Montana-Dakota when a group of
19 investors purchased the electric systems in a handful of farming
20 communities along the North Dakota-Montana state line. By building a
21 central power plant in Glendive, Montana, and stringing power lines to
22 surrounding towns, the company was able to provide all-day electrical
23 service to communities in eastern Montana and western North Dakota.

1 In 1926, Montana-Dakota discovered natural gas in the Baker,
2 Montana area, which provided a boiler fuel for its Glendive, Montana
3 power plant. The company built a natural gas transmission line to
4 Glendive and entered the natural gas distribution business by providing
5 natural gas service to homes and businesses as well. This pattern of
6 electric and natural gas service expansion repeated itself over the next
7 few decades. Montana-Dakota purchased and interconnected small
8 electric companies and expanded the provision of natural gas service to
9 other Montana, South Dakota and North Dakota communities and to the
10 flanks of the Big Horn Mountains in northern Wyoming. Acquisition of gas
11 supplies in newly discovered fields in Montana, North Dakota, and
12 Wyoming enabled the company to expand natural gas distribution service
13 around the region. In 1968, the company moved its headquarters from
14 Minneapolis, Minnesota to Bismarck, North Dakota to be closer to its
15 customer base.

16 In 1985, Montana-Dakota's corporate name was changed to MDU
17 Resources Group, Inc. and Montana-Dakota Utilities Co. was created as a
18 division of the corporation for operation of its natural gas distribution and
19 electric distribution utility business. At the same time, the company's
20 interstate natural gas pipeline and storage facilities and natural gas
21 production properties were transferred to wholly owned subsidiaries.
22 Today, Williston Basin Interstate Pipeline Company operates over 3,350
23 miles of interstate natural gas pipeline and 340 miles of natural gas field

1 and gathering lines within various production areas in North Dakota, South
2 Dakota, Montana and Wyoming. Its storage fields have a working
3 capacity of approximately 193 billion cubic feet of natural gas. Its system
4 is interconnected with nine other natural gas pipeline systems. Another
5 operating company, Bitter Creek Pipelines, LLC, owns and operates 1,600
6 miles of natural gas gathering lines in Montana, Wyoming and Colorado.

7 In 2000, MDU Resources acquired Great Plains. Like Montana-
8 Dakota, Great Plains is operated as a division of MDU Resources, with its
9 operational headquarters in Fergus Falls, Minnesota. Senior management
10 for Great Plains is provided by Montana-Dakota, and certain services,
11 such as legal and tax services, are provided by MDU Resources while
12 other services, such as accounting, human resources, and gas supply are
13 provided by or shared with Montana-Dakota.

14 **Q. How will approval of the proposed transaction benefit Cascade's**
15 **customers?**

16 A. MDU Resources believes the acquisition of Cascade provides the long
17 term opportunity to improve efficiencies and cost effectiveness, both for
18 Cascade and for MDU Resources' existing utility operations. As I
19 mentioned previously, Cascade and MDU Resources' existing natural gas
20 distribution utilities are modest-sized utilities by industry standards. The
21 sharing of best practices by these utility operations, as well as the
22 opportunity to spread the costs of certain investments and services over a
23 larger customer base, should improve the competitive position and cost

1 effectiveness of the utility operations.

2 The sharing of best practices and improved cost effectiveness will
3 benefit Cascade's customers by reducing pressure for rate increases. For
4 the reasons described by Mr. Stevens in his testimony, the ability of
5 Cascade to operate as a stand-alone publicly traded company would have
6 become increasingly difficult and more expensive. For example, a recent
7 regulation issued by the Securities and Exchange Commission regarding
8 the regulatory requirements for annual proxy statements of publicly traded
9 companies is over 400 pages long. The costs and resources to review,
10 interpret, and implement these types of regulations are substantial. The
11 inclusion of Cascade within a larger organizational structure will reduce
12 the impact of those costs to Cascade's customers and also provide
13 Cascade with access to more competitive financial resources. These
14 issues are addressed further by Mr. Renner in his testimony.

15 In addition, MDU Resources will explore offering a broader array of
16 services to Cascade's customers. MDU Resources' utility divisions offer a
17 number of services, including an appliance repair and protection program
18 and home and health security monitoring services that are not offered by
19 Cascade, as well as pipeline installation and gas management services
20 that are offered by Cascade, but that MDU Resources may be able to
21 enhance. In many cases, these services are not otherwise available in the
22 communities served by our utilities or our experience makes us qualified
23 to provide unique or specialized services. MDU Resources will explore

1 the introduction and/or expansion of such services to Cascade's service
2 areas, to bring the benefit of additional services or additional competitive
3 providers, and to help allocate certain costs away from the regulated
4 operations. These services will not be introduced, however, without
5 determining the need and demand for the services as well as being
6 sensitive to the concerns of cross-subsidization and competitive issues
7 that may arise in this context.

8 Cascade's customers will also benefit from the other commitments
9 that MDU Resources is making in this proceeding as described in the
10 testimony of John F. Renner and Donald R. Ball, and as listed in Mr. Ball's
11 Exhibit No.____(DRB-2).

12 **Q. Please discuss how MDU Resources can share its best practices**
13 **with Cascade.**

14 A. Through its many years of operating Montana-Dakota and, more recently,
15 Great Plains, MDU Resources has developed practices that may, in some
16 circumstances, be more advanced or efficient than Cascade's, and
17 especially suited to Cascade's service territory. MDU Resources is
18 committed to sharing such best practices with Cascade to enhance
19 customer service and to enhance the efficiency of Cascade's operations,
20 thereby potentially lowering operating and administrative expenses and
21 mitigating cost increases.

22 **Q. Can you provide an example of how MDU Resources can share its**
23 **best practices with Cascade?**

1 A. Yes. As an example, Montana-Dakota has deployed mobile dispatching,
2 by which Montana-Dakota customers have toll-free access to a 24 hours a
3 day, seven days a week Customer Call and Emergency Services Center
4 to place routine and emergency utility service requests. A Dispatch
5 Center in turn transmits electronic service orders to the mobile terminals
6 placed in the fleet of service and construction vehicles. This network
7 provides rapid response to customer requests and emergency situations.
8 The mobile services system is interfaced with the Customer Information
9 System and, as the orders are worked and completed, they are returned
10 electronically and customer service history data is updated daily to provide
11 more efficient processing as well as more timely information available to
12 customer service representatives.

13 **Q. How will Cascade operate after completion of the transaction?**

14 A. Cascade will operate as a first-tier subsidiary of MDU Resources but will
15 be considered part of its utility business unit for operational purposes,
16 similar to MDU Resources' existing utility divisions of Montana-Dakota and
17 Great Plains. Cascade will have its own president and management who
18 will report to me as its chief executive officer. However, certain officer
19 positions may be shared or coordinated between the utilities to improve
20 efficiencies. I anticipate that Cascade's field operations will remain
21 unchanged and we believe the transaction will be imperceptible to
22 customers from an operational standpoint.

23 **Q. Will Cascade have control and responsibility for making decisions**

1 **that achieve objectives such as customer satisfaction, reliable**
2 **service, and employee safety?**

3 A. Yes. The control and responsibility for achieving those objectives will be
4 the direct responsibility of Cascade's management team with oversight by
5 me and assistance from MDU Resources and its existing utility divisions.
6 MDU Resources will maintain the operational headquarters of Cascade in
7 Washington and, except for some shared functions, Cascade's
8 management will remain located in Washington. Personnel in the Pacific
9 Northwest will be authorized to represent and bind Cascade in its dealings
10 with customers, regulators, and suppliers.

11 **Q. Do you anticipate that Cascade will sell any operational assets**
12 **following closing of the transaction?**

13 A. No, I do not anticipate any such sales.

14 **Q. Are there any plans for a reduction in force at Cascade as a result of**
15 **the transaction?**

16 A. Only to the extent that the positions of chief executive and chief financial
17 officer will be eliminated, although the chief executive officer position will
18 be replaced with a president. There may be a reduction or consolidation
19 of other administrative positions over time as Cascade's corporate and
20 administrative functions are integrated with those of MDU Resources and
21 its utility divisions. We do not anticipate reductions in the labor force
22 within operational personnel.

23 **Q. Do you anticipate changing the existing labor contracts as a result of**

1 **the transaction?**

2 A. MDU Resources will abide by the existing labor contracts as well as other
3 Cascade contracts.

4 **Q. Please describe the safety experience of MDU Resources' utility**
5 **divisions.**

6 A. MDU Resources stresses safety of its employees and the public in all its
7 business units including its utility divisions. During the last five years,
8 Montana-Dakota's and Great Plains' average Occupational Safety and
9 Health Administration (OSHA) recordable injury frequency rate was 3.8
10 while the national average for the gas and electric distribution industry was
11 4.6.

12 **Q. What has been MDU Resources' experience with its utility**
13 **workforce?**

14 A. Montana-Dakota's only work stoppage occurred over thirty years ago in
15 1975. MDU Resources contracts with the Great Place to Work[®] Institute
16 and surveys the employees of each of its business units every two years
17 to measure and work to improve the employees' experience in the
18 workplace. Montana-Dakota's survey results have consistently improved
19 with each survey.

20 **Q. Has MDU Resources received any recognitions that are noteworthy**
21 **in demonstrating its ability to operate Cascade?**

22 A. Yes. MDU Resources was named "2005 Utility of the Year" by Electric
23 Light & Power (EL&P) magazine in its November/December 2005 issue.

1 According to EL&P, MDU Resources was chosen because it was built on
2 an electric and natural gas utility foundation, and it follows a corporate
3 strategy based on integrity and solid, conservative growth. MDU
4 Resources was also ranked No. 18 on Public Utility Fortnightly's 2005
5 "Fortnightly 40," and No. 16 on its 2006 "Fortnightly 40", the magazine's
6 Top 40 list of the best energy companies in America. The "Fortnightly 40"
7 is a financial ranking of electric and gas utilities, pipeline and distribution
8 companies that appears in the annual September issue of the magazine.
9 The publication describes its list as "a benchmark that highlights the
10 industry's leading companies – its brightest stars proven in performance
11 and exceptional corporate management." For the sixth straight year, MDU
12 Resources was also included in Forbes magazine's "Platinum 400 Best
13 Big Companies" in America list. Criteria used were corporate governance
14 and accounting practices, as well as financial performance. In 2004,
15 Forbes named MDU Resources as the Best Managed Company within the
16 utilities industry in America. Criteria for this ranking include market
17 leadership, innovation, efficiency, five-year total returns, and long and
18 short-term earnings growth.

19 **Q. What commitment does MDU Resources provide to supporting the**
20 **communities in which Cascade does business?**

21 A. First, MDU Resources commits that at least the current level of charitable
22 contributions made by Cascade in Washington and Oregon will be
23 maintained. Some of those contributions may be made directly by

1 Cascade in support of local organizations. Second, qualified tax-exempt
2 501(c)(3) entities will be eligible to apply for grants from MDU Resources
3 Foundation. Founded in 1983, the Foundation is funded annually by
4 company contributions. In 2005, the MDU Resources Foundation made
5 over 500 grants totaling more than \$1.2 million to qualified charities and
6 organizations located within communities served by the MDU Resources'
7 business units. The foundation also provides educational scholarships to
8 deserving students of employees of MDU Resources' business units. The
9 Foundation is expected to distribute grants totaling nearly \$1.8 million in
10 2006. These commitments are set forth as Commitment No. 27 in Exhibit
11 No.____(DRB-2) accompanying Mr. Ball's testimony.

12 In addition to grants made by the MDU Resources Foundation, the
13 utility divisions make grants to qualified 501(c)(3) organizations for
14 environmental improvement projects in the service areas of Montana-
15 Dakota and Great Plains. In 2006, we expect to award approximately
16 \$18,000 to about 12 different grantees. After closing of the proposed
17 transaction, we will consider implementing a similar program for Cascade
18 or expanding the scope of the existing program to include the Cascade
19 service areas.

20 **Q. Does that conclude your direct testimony?**

21 A. Yes it does.