

Schneider William E  
 Form 4  
 February 27, 2007

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Schneider William E

2. Issuer Name and Ticker or Trading Symbol  
 MDU RESOURCES GROUP INC  
 [MDU]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)  
 \_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 President and CEO, Knife River

(Last) (First) (Middle)  
 KNIFE RIVER CORPORATION, P.  
 O. BOX 5568  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 02/23/2007

BISMARCK, ND 58506-5568

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 \_\_\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)			
			Code	V	Amount or Price					
Common Stock	02/23/2007		M		\$ 57,015	A	13.2178	120,194	D	
Common Stock	02/23/2007		S		\$ 1,200	D	\$ 26.95	118,994	D	
Common Stock	02/23/2007		S		\$ 3,600	D	\$ 26.96	115,394	D	
Common Stock	02/23/2007		S		\$ 8,000	D	\$ 26.97	107,394	D	
Common Stock	02/23/2007		S		\$ 4,500	D	\$ 26.98	102,894	D	
Common Stock	02/23/2007		S		\$ 16,500	D	\$ 26.99	86,394	D	
Common Stock	02/23/2007		S		\$ 3,200	D	\$ 27	83,194	D	
Common Stock	02/23/2007		S		\$ 200	D	\$ 27.01	82,994	D	

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Common Stock - (401-k)	300.848	I	By Trustee
Common Stock-Restricted Stock	2,970	I	By Trustee

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Empl. Stock Opt.(Right to Buy)	\$ 13.2178	02/23/2007		M	57,015	02/15/2010 02/15/2011	Common Stock	57,015	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Schneider William E KNIFE RIVER CORPORATION P. O. BOX 5568 BISMARCK, ND 58506-5568			President and CEO, Knife River	

## Signatures

Debra S. Anderson, Power of Attorney 02/27/2007

\*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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- (1) These options were exercisable 2/15/2010. Vesting was accelerated for all options to 2/15/07 upon attainment of certain performance goals. The filing system will not allow a change in the Date Exercisable column from 2/15/2010 to 2/15/07.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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