

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
 Estimated average burden hours per response... 0.5

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 13.2178	A	120,194 D
Common Stock	02/23/2007		S		\$ 26.95	D	118,994 D
Common Stock	02/23/2007		S		\$ 26.96	D	115,394 D
Common Stock	02/23/2007		S		\$ 26.97	D	107,394 D
Common Stock	02/23/2007		S		\$ 26.98	D	102,894 D
Common Stock	02/23/2007		S		\$ 26.99	D	86,394 D
Common Stock	02/23/2007		S		\$ 27	D	83,194 D
Common Stock	02/23/2007		S		\$ 27.01	D	82,994 D

Edgar Filing: Schneider William E - Form 4

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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

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).

Edgar Filing: Schneider William E - Form 4

- (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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.