

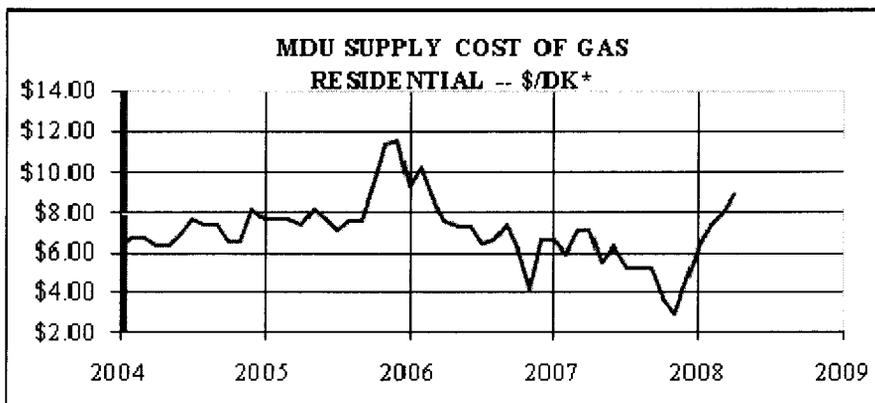
NORTH DAKOTA PUBLIC SERVICE COMMISSION
March 26, 2008

Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc.
April 2008
Cost of Gas/Natural Gas

PU-08-120
Filed 03/10/2008

MDU is increasing its Cost of Gas charge by \$0.830 per dekatherm (dk) compared to last month. This Cost of Gas charge will be applied to natural gas bills issued during April 2008. The Cost of Gas charge will change from \$8.027 per dk to \$8.857 per dk.

For residential consumption of 8.0 dk (representative of April), the cost of gas in the bill will be approximately \$6.64 higher than last month and \$13.71 higher than April 2007. MDU served 89,623 natural gas customers in North Dakota as of December 31, 2007.



The cost of gas change is due to:

- \$0.840 per dk increase in the commodity cost of gas.
- \$0.010 per dk decrease in pipeline costs.

The change in the commodity cost of gas is attributed to continued cold weather throughout much of the nation. Additionally, near record high crude oil prices provided upward pressure on all energy commodities. Volumes of natural gas in storage were 4.4% above the five year average as of February 29, 2008.

For MDU, the Cost of Gas for the month is locked in by contract on the 1st or 2nd business day of the preceding month based on the Rocky Mountain CIG (Colorado Interstate Gas Company) Index.

The Rocky Mountain CIG Index is based on a price discovery survey by several natural gas periodicals, such as the "Inside FERC Gas Market" report and "Gas Daily" by McGraw Hill, or prices paid by willing sellers and buyers of quantities of gas in that region. The monthly price for the Rocky Mountain CIG Index is indicative of a majority of the supplies Montana-Dakota purchases for its requirements.

The Department of Energy's (DOE) Energy Information Administration (EIA) provides various publications on energy issues. The information is available on the EIA website:

<http://www.eia.doe.gov>.