

NORTH DAKOTA PUBLIC SERVICE COMMISSION
August 28, 2002

Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc.
September 2002
Purchased Gas Adjustment-Natural Gas

PU-399-02-333
Filed 07/11/2002

SUMMARY OF PROPOSAL:

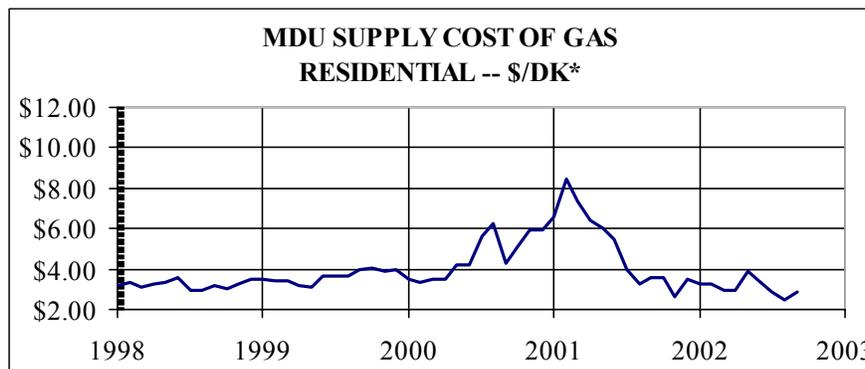
For gas bills issued during September 2002, MDU is increasing its purchased gas adjustment by \$.372 per dekatherm for residential and firm general service customers. This changes the current purchased gas adjustment from negative \$1.178 per dk to negative \$.806 per dk.

The change in the purchased gas adjustment for residential customers results from:

- \$.372 per dk decrease in the commodity cost of gas

The resulting supply cost of gas for September usage, excluding the annual surcharge adjustment and the margin sharing, is \$3.413 per dk. The resulting billed cost of gas, including the annual surcharge adjustment and the margin sharing, is \$2.863 per dk.

A specific reason is unknown, however, it is speculated that several factors could be responsible for the increased commodity cost including: (1) increased gas-fired generation on the west coast, (2) the recent outage of a Canadian gas processing plant, (3) the significant differential between CIG Rocky Mountains Index and the Ventura or Henry Hub Indexes, or (4) anticipation of colder weather.



This PGA change will increase the September bill for a typical residential customer with usage of 3.5 dk by \$1.30. There were 82,839 MDU customers in North Dakota as of June 30, 2002.

The Department of Energy's (DOE) Energy Information Administration (EIA) provides various publications on energy issues. The information is available on the EIA's website: <http://www.eia.doe.gov>.

MOTION

August 28, 2002

**Montana-Dakota Utilities Co., A Division of
MDU Resources Group, Inc.
September 2002
Purchased Gas Adjustment-Natural Gas**

Case No. PU-399-02-428

I move the Commission approve Montana-Dakota Utilities Co.'s Natural Gas
Purchased Gas Adjustment for September 2002, Case No. PU-399-02-428.

PJF/sdh