

NORTH DAKOTA PUBLIC SERVICE COMMISSION  
June 18, 2003

**Montana-Dakota Utilities Co., a Division of  
MDU Resources Group, Inc.  
July 2003  
Purchased Gas Adjustment-Natural Gas**

**PU-399-03-316  
Filed 06/11/2003**

**SUMMARY OF PROPOSAL:**

For gas bills issued during July 2003, MDU is increasing its Cost of Gas charge by \$1.047 per dekatherm (dk) for residential and firm general service customers. This changes the current Cost of Gas charge from \$5.628 per dk to \$6.675 per dk.

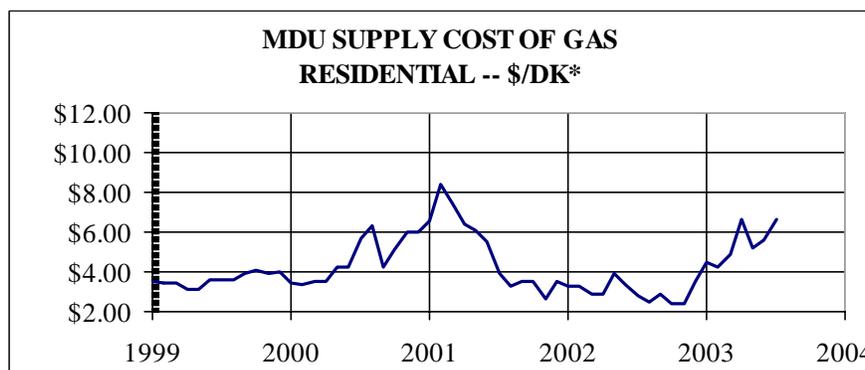
The change in the cost of gas for residential customers results from:

- \$1.046 per dk increase in the commodity cost of gas
- \$.001 increase in pipeline rate

The commodity charge is at a historic high for the month of June. The change in commodity cost is attributed to low storage levels placing upward pressure on near term gas prices as companies refill storage for the upcoming heating season. The Department of Energy says that prices will likely remain high as long as above-normal storage injection demand must compete with demand from weather-related summer power generation.

The change in pipeline rate is attributed to revised rates from Foothills Pipe Lines Ltd.

The Rocky Mountain CIG Index is indicative of most supplies MDU purchases for its requirements. The Rocky Mountain CIG Index is based on a detailed 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.



For a residential customer using 1.7 dk in July, this cost of gas change will increase the bill by \$1.78. There were 84,126 MDU customers in North Dakota as of April 30, 2003.

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>.

**M O T I O N**

**June 18, 2003**

**Montana-Dakota Utilities Co., A Division of  
MDU Resources Group, Inc.  
July 2003  
Purchased Gas Adjustment-Natural Gas**

**Case No. PU-399-03-316**

I move the Commission approve Montana-Dakota Utilities Co.'s Natural Gas  
Purchased Gas Adjustment for July 2003, Case No. PU-399-03-316.

PJF/sdh