

NORTH DAKOTA PUBLIC SERVICE COMMISSION
July 31, 2003

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

PU-399-03-398
Filed 07/11/2003

SUMMARY OF PROPOSAL:

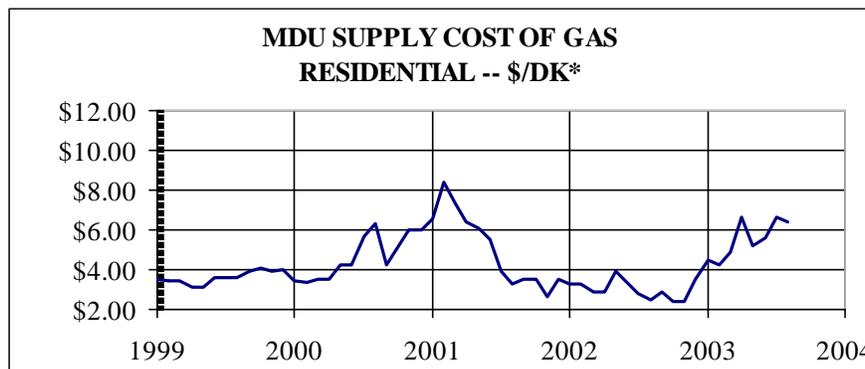
For gas bills issued during August 2003, MDU is decreasing its Cost of Gas charge by \$.28 per dekatherm (dk) for residential and firm general service customers. This changes the current Cost of Gas charge from \$6.675 per dk to \$6.395 per dk.

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

- \$.280 per dk decrease in the commodity cost of gas

The change in commodity cost is attributed to an improvement in storage levels. 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 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, this cost of gas change will decrease the typical August bill (of a customer using 1.8 dk) by \$.50. There were 83,965 MDU customers in North Dakota as of May 31, 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

July 31, 2003

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

Case No. PU-399-03-398

I move the Commission approve Montana-Dakota Utilities Co.'s Natural Gas
Purchased Gas Adjustment for August 2003, Case No. PU-399-03-398.

PJF/sdh