

NORTH DAKOTA PUBLIC SERVICE COMMISSION  
August 28, 2003

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

**PU-399-03-478  
Filed 08/12/2003**

**SUMMARY OF PROPOSAL:**

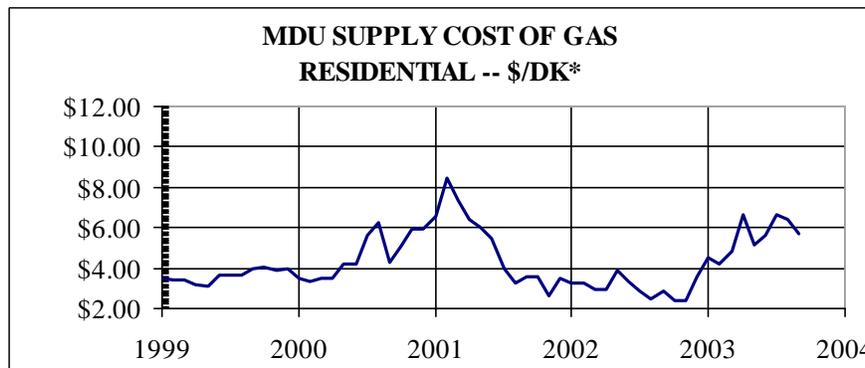
For gas bills issued during September 2003, MDU is decreasing its Cost of Gas charge by \$.661 per dekatherm (dk) for residential and firm general service customers. This changes the current Cost of Gas charge from \$6.395 per dk to \$5.734 per dk.

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

- \$.695 per dk decrease in the commodity cost of gas
- \$.034 per dk increase in pipeline rates

The change in commodity cost is attributed to relatively mild weather over the nation tending to reduce demand and lowered spot price projections and the recent solid gain in underground storage levels. The change in pipeline rates is attributed to a Williston Basin filing with FERC to reflect revisions to the method and timing of its current fuel reimbursement mechanism.

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 September bill (of a customer using 3.5 dk) by \$2.27. There were 83,858 MDU natural gas 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**

**August 28, 2003**

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

**Case No. PU-399-03-478**

I move the Commission approve Montana-Dakota Utilities Co.'s Natural Gas  
Purchased Gas Adjustment for September 2003, Case No. PU-399-03-478.

PJF/sdh