

NORTH DAKOTA PUBLIC SERVICE COMMISSION  
January 28, 2004

**Montana-Dakota Utilities Co., a Division of  
MDU Resources Group, Inc.  
February 2004  
Purchased Gas Adjustment-Natural Gas**

**PU-399-04-15  
Filed 01/12/2004**

**SUMMARY OF PROPOSAL:**

MDU is increasing its Cost of Gas charge by \$.420 per dekatherm (dk) compared to last month. This Cost of Gas charge will be applied to natural gas bills issued during February 2004. This changes the Cost of Gas charge from \$6.233 per MCF to \$6.653 per dk.

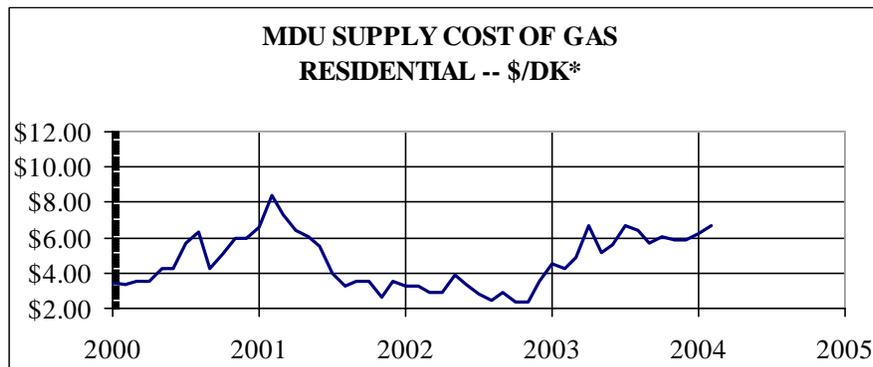
The supply cost of gas change is due to:

- \$.419 per dk increase in the commodity cost of gas.
- \$.001 per dk increase in pipeline rates.

The change in cost for third party commodity purchases is attributed to weather driven demand.

The change in pipeline rates is attributed to new rates for the Alberta System.

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 residential consumption of 16.1 dk (representative of February), the cost of gas in the bill will be approximately \$6.76 higher than last month and \$39.03 higher than February 2003. There were 85,050 MDU customers in North Dakota as of November 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 website: <http://www.eia.doe.gov>.

**M O T I O N**

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**Case No. PU-399-04-15**

I move the Commission approve Montana-Dakota Utilities Co.'s Natural Gas  
Purchased Gas Adjustment for February 2004, Case No. PU-399-04-15.

PJF/sdh