

NORTH DAKOTA PUBLIC SERVICE COMMISSION  
October 18, 2005

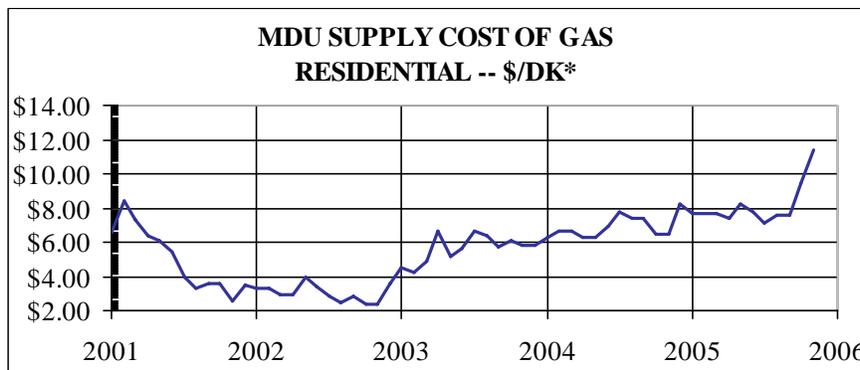
**Montana-Dakota Utilities Co., a Division of  
MDU Resources Group, Inc.  
November 2005  
Cost of Gas Adjustment-Natural Gas**

**PU-05-555  
Filed 10/11/2005**

**SUMMARY OF PROPOSAL:**

MDU is increasing its Cost of Gas charge by \$1.993 per dekatherm (dk) compared to last month. This Cost of Gas charge will be applied to natural gas bills issued during November 2005. This changes the Cost of Gas charge from \$9.399 per dk to \$11.392 per dk.

For residential consumption of 11.0 dk (representative of November), the cost of gas in the bill will be approximately \$21.92 higher than last month and \$53.90 higher than November 2004. There were 86,049 MDU customers in North Dakota as of August 31, 2005.



The cost of gas change is due to:

- \$1.936 per dk increase in the commodity cost of gas.
- \$0.057 per dk increase in pipeline rates.

The change in pipeline rates is due to firm transportation capacity that has been added for the period November 1, 2005 through March 2006 to meet the winter peak. The change in cost for third party commodity purchases may be the result of Hurricanes Katrina and Rita. Although storage levels are about 2% higher than the 5-year average, gas supply is expected to remain tight and high crude oil prices combined with a strong economy are reasons for continuing high natural gas prices.

For MDU, the Cost of Gas for the month is locked in by contract on the 1st or 2nd business day of the preceding month based on the Rocky Mountain CIG (Colorado Interstate Gas Company) Index.

The Rocky Mountain CIG Index is based on a 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.

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**

**October 18, 2005**

**Montana-Dakota Utilities Co., A Division of  
MDU Resources Group, Inc.  
November 2005  
Cost of Gas Adjustment-Natural Gas**

**Case No. PU-05-555**

I move the Commission approve Montana-Dakota Utilities Co.'s Natural Gas  
Cost of Gas Adjustment for November 2005, Case No. PU-05-555.

PJF/sdh