

NORTH DAKOTA PUBLIC SERVICE COMMISSION
November 30, 2005

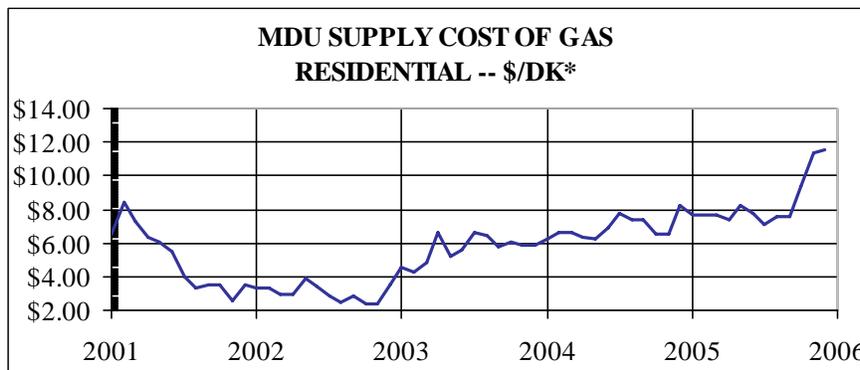
**Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc.
December 2005
Cost of Gas Adjustment-Natural Gas**

**PU-05-608
Filed 11/11/2005**

SUMMARY OF PROPOSAL:

MDU is increasing its Cost of Gas charge by \$.189 per dekatherm (dk) compared to last month. This Cost of Gas charge will be applied to natural gas bills issued during December 2005. This changes the Cost of Gas charge from \$11.392 per dk to \$11.581 per dk.

For residential consumption of 15.0 dk (representative of December), the cost of gas in the bill will be approximately \$2.84 higher than last month and \$50.31 higher than December 2004. There were 86,279 MDU customers in North Dakota as of September 30, 2005.



The cost of gas change is due to:

- \$0.185 per dk increase in the commodity cost of gas.
- \$0.004 per dk increase in pipeline rates.

The change in pipeline rates is due to firm transportation capacity that has been added for the period December 1, 2005 through February 2006 to meet the winter peak. The change in cost for third party commodity purchases may be the result of hurricanes Katrina and Rita, high oil prices and a strong economy.

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

November 30, 2005

**Montana-Dakota Utilities Co., A Division of
MDU Resources Group, Inc.
December 2005
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Case No. PU-05-608

I move the Commission approve Montana-Dakota Utilities Co.'s Natural Gas
Cost of Gas Adjustment for December 2005, Case No. PU-05-608.

PJF/sdh