

NORTH DAKOTA PUBLIC SERVICE COMMISSION
December 30, 2005

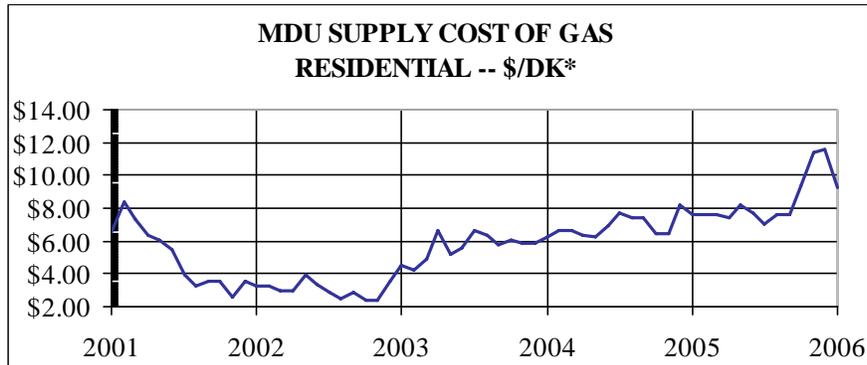
Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc.
January 2006
Cost of Gas Adjustment-Natural Gas

PU-05-645
Filed 12/12/2005

SUMMARY OF PROPOSAL:

MDU is decreasing its Cost of Gas charge by \$2.287 per dekatherm (dk) compared to last month. This Cost of Gas charge will be applied to natural gas bills issued during January 2006. This changes the Cost of Gas charge from \$11.581 per dk to \$9.294 per dk.

For residential consumption of 17.0 dk (representative of January), the cost of gas in the bill will be approximately \$38.88 lower than last month and \$28.07 higher than January 2005. There were 86,778 MDU customers in North Dakota as of October 31, 2005.



The cost of gas change is due to:

- \$2.287 per dk increase in the commodity cost of gas.

The change in cost for third party commodity purchases is attributed to above normal temperatures over much of the nation during the month of November and high levels of gas in storage.

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

December 30, 2005

**Montana-Dakota Utilities Co., A Division of
MDU Resources Group, Inc.
January 2006
Cost of Gas Adjustment-Natural Gas**

Case No. PU-05-645

I move the Commission approve Montana-Dakota Utilities Co.'s Natural Gas
Cost of Gas Adjustment for January 2006, Case No. PU-05-645.

PJF/sdh