

NORTH DAKOTA PUBLIC SERVICE COMMISSION
March 22, 2006

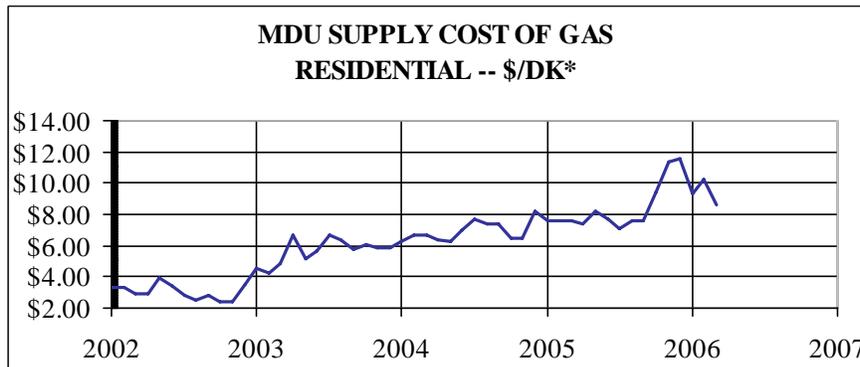
**Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc.
April 2006
Cost of Gas Adjustment-Natural Gas**

**PU-06-92
Filed 03/10/2006**

SUMMARY OF PROPOSAL:

MDU is decreasing its Cost of Gas charge by \$1.034 per dekatherm (dk) compared to last month. This Cost of Gas charge will be applied to natural gas bills issued during April 2006. This changes the Cost of Gas charge from \$8.641 per dk to \$7.607 per dk.

For residential consumption of 8.0 dk (representative of April), the cost of gas in the bill will be approximately \$8.27 lower than last month and \$1.51 higher than April 2005. There were 87,227 MDU customers in North Dakota as of December 31, 2005.



The cost of gas change is due to:

- \$.913 per dk decrease in the commodity cost of gas.
- \$.060 per dk decrease due to decrease in firm transportation capacity requirements.
- \$.061 per dk decrease in pipeline rates.

The change in cost for third party commodity purchases is attributed to relatively warm weather over most regions of the United States and high storage inventories. Current and future prices remain high compared to historical levels as market expectation is for gas supply/demand conditions to remain tight. The change in pipeline rates is due to Williston Basin's semi-annual fuel and electric power reimbursement adjustment.

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

March 22, 2006

**Montana-Dakota Utilities Co., A Division of
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April 2006
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Case No. PU-06-92

I move the Commission approve Montana-Dakota Utilities Co.'s Natural Gas
Cost of Gas Adjustment for April 2006, Case No. PU-06-92.

PJF/sdh