

NORTH DAKOTA PUBLIC SERVICE COMMISSION  
January 25, 2006

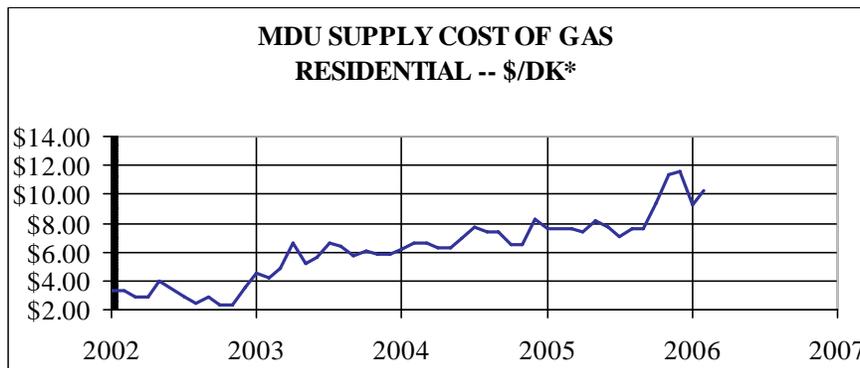
**Montana-Dakota Utilities Co., a Division of  
MDU Resources Group, Inc.  
February 2006  
Cost of Gas Adjustment-Natural Gas**

**PU-06-20  
Filed 01/11/2006**

**SUMMARY OF PROPOSAL:**

MDU is increasing its Cost of Gas charge by \$0.958 per dekatherm (dk) compared to last month. This Cost of Gas charge will be applied to natural gas bills issued during February 2006. This changes the Cost of Gas charge from \$9.294 per dk to \$10.252 per dk.

For residential consumption of 13.0 dk (representative of February), the cost of gas in the bill will be approximately \$12.45 higher than last month and \$33.92 higher than February 2005. There were 87,070 MDU customers in North Dakota as of November 30, 2005.



The cost of gas change is due to:

- \$0.958 per dk increase in the commodity cost of gas.

The change in cost for third party commodity purchases is attributed to cooler than normal weather in the eastern portion of the United States during the month of December and lingering effects of shut-in gas in the Gulf of Mexico. The gas supply/demand conditions are expected to remain tight through the heating season and for the remainder of 2006.

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**

**January 25, 2006**

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MDU Resources Group, Inc.  
February 2006  
Cost of Gas Adjustment-Natural Gas**

**Case No. PU-06-20**

I move the Commission approve Montana-Dakota Utilities Co.'s Natural Gas  
Cost of Gas Adjustment for February 2006, Case No. PU-06-20.

PJF/sdh