

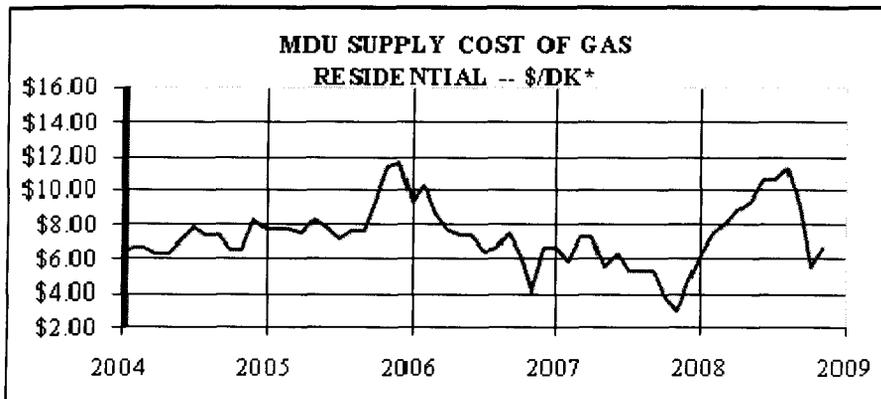
**NORTH DAKOTA PUBLIC SERVICE COMMISSION**  
**October 22, 2008**

**Montana-Dakota Utilities Co., a Division of  
MDU Resources Group, Inc.  
November 2008  
Cost of Gas/Natural Gas**

**PU-08-824  
Filed 10/13/2008**

MDU is increasing its Cost of Gas charge by \$1.143 per dekatherm (dk) compared to last month. This Cost of Gas charge will be applied to natural gas used in November 2008. The Cost of Gas charge will change from \$5.512 per dk to \$6.655 per dk.

For residential consumption of 11.0 dk (representative of November), the cost of gas in the bill will be approximately \$12.57 higher than last month and \$40.93 higher than November 2007. MDU served 89,924 natural gas customers in North Dakota as of September 30, 2008.



The cost of gas change is due to:

- \$1.143 per dk increase in the commodity cost of gas.
- No change in pipeline costs.

The change in the commodity cost of gas is attributed to the Rockies Express Pipeline, which was out of service for the majority of September, returning to service. Volumes of natural gas in storage were 1.6 percent above the five-year average as of September 26, 2008.

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 monthly price for the Rocky Mountain CIG Index is indicative of a majority of the supplies Montana-Dakota purchases for its requirements.

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>.