

NORTH DAKOTA PUBLIC SERVICE COMMISSION
October 20, 2004

**Montana-Dakota Utilities Co., A Division
of MDU Resources Group, Inc.
November 2004
Cost of Gas Adjust. Propane**

**PU-04-534
Filed 10/11/2004**

MDU is increasing its Cost of Gas Adjustment by \$1.317 per dekatherm (dk) compared to last month. This cost of gas adjustment will be applied to propane gas bills issued during November 2004 to Hettinger customers. The current Propane Cost charge will change from \$8.453 per dk to \$9.770 per dk.

The propane price increase is a result of the lowest price MDU obtained from its regional bulk wholesale propane suppliers. The change in the price of propane is generally driven by a combination of crude oil and natural gas prices, weather, demand, and inventory levels.

For residential customer usage of 14.1 dk (representative of November), the cost of propane gas in the bill will be approximately \$18.57 higher than last month and \$21.62 higher than November 2003. There were 324 propane customers in Hettinger as of September 30, 2004.

The Department of Energy's (DOE) Energy Information Administration (EIA) provides various publications on energy issues. The information is available on the website: <http://www.eia.doe.gov>.

M O T I O N

October 20, 2004

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November 2004
Cost of Gas Adjustment-Propane**

Case No. PU-04-534

I move the Commission approve Montana-Dakota Utilities Co.'s propane Cost of Gas adjustment for November 2004, Case No. PU-04-534.

PJF/sdh