

NORTH DAKOTA PUBLIC SERVICE COMMISSION
May 3, 2005

**Montana-Dakota Utilities Co., A Division
of MDU Resources Group, Inc.
May 2005
Cost of Gas Adjust. Propane**

**PU-05-216
Filed 04/11/2005**

MDU is increasing its Cost of Gas Adjustment by \$0.327 per dekatherm (dk) compared to last month. The Cost of Gas Adjustment will change from \$8.884 per dk to \$9.211 per dk. The revised cost of gas adjustment will be applied to propane gas bills issued during May 2005 to Hettinger customers.

The cost of gas change is due to:

- \$.548 per dk increase in the commodity cost of gas.
- \$.221 decrease in the over/under recovery surcharge adjustment.

The commodity cost change 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 4.0 dk (representative of May), the cost of propane gas in the bill will be approximately \$1.31 higher than last month and \$10.97 higher than May 2004. There were 325 propane customers in Hettinger as of March 31, 2005.

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

May 3, 2005

**Montana-Dakota Utilities Co., A Division
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May 2005
Cost of Gas Adjustment-Propane**

Case No. PU-05-216

I move the Commission approve Montana-Dakota Utilities Co.'s propane Cost of Gas adjustment for May 2005, Case No. PU-05-216.

PJF/sdh