

NORTH DAKOTA PUBLIC SERVICE COMMISSION  
April 26, 2006

**Montana-Dakota Utilities Co., A Division  
of MDU Resources Group, Inc.  
May 2006  
Cost of Gas Adjust. Propane**

**PU-06-146  
Filed 04/11/2006**

MDU is decreasing its Cost of Gas Adjustment by \$0.543 per dekatherm (dk) compared to last month. The Cost of Gas Adjustment will change from \$10.858 per dk to \$10.315 per dk. The revised cost of gas adjustment will be applied to propane gas bills issued during May 2006 to Hettinger customers.

The cost of gas change is due to:

- \$.549 per dk decrease in the commodity cost of gas.
- \$.014 per dk increase in the over/under recovery surcharge adjustment.
- \$.008 per dk decrease in the margin sharing provision.

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 5.0 dk (representative of May), the cost of propane gas in the bill will be approximately \$2.72 lower than last month and \$5.52 higher than May 2005. There were 321 propane customers in Hettinger as of March 31, 2006.

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**

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Cost of Gas Adjustment-Propane**

**Case No. PU-06-146**

I move the Commission approve Montana-Dakota Utilities Co.'s propane Cost of Gas adjustment for May 2006, Case No. PU-06-146.

PJF/sdh