

NORTH DAKOTA PUBLIC SERVICE COMMISSION
December 29, 2006

**Montana-Dakota Utilities Co., A Division
of MDU Resources Group, Inc.
January 2007
Cost of Gas Adjust. Propane**

**PU-06-514
Filed 12/08/2006**

MDU is increasing its Cost of Gas Adjustment by \$0.220 per dekatherm (dk) compared to last month. The Cost of Gas Adjustment will change from \$11.413 per dk to \$11.633 per dk. The revised cost of gas adjustment will be applied to propane gas bills issued during January 2007 to Hettinger customers.

The cost of gas change is due to:

- \$0.220 per dk increase in the commodity cost of gas.

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 17.0 dk (representative of January), the cost of propane gas in the bill will be approximately \$3.74 higher than last month and \$5.49 lower than January 2006. There were 328 propane customers in Hettinger as of November 30, 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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January 2007
Cost of Gas Adjustment-Propane**

Case No. PU-06-514

I move the Commission approve Montana-Dakota Utilities Co.'s propane
Cost of Gas adjustment for January 2007, Case No. PU-06-514.

PJF