

NORTH DAKOTA PUBLIC SERVICE COMMISSION
March 7, 2007

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

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MDU is increasing its Cost of Gas Adjustment by \$0.549 per dekatherm (dk) compared to last month. The Cost of Gas Adjustment will change from \$10.864 per dk to \$11.413 per dk. The revised cost of gas adjustment will be applied to propane gas bills issued during March 2007 to Hettinger customers.

The cost of gas change is due to:

- \$0.549 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 13.0 dk (representative of March), the cost of propane gas in the bill will be approximately \$7.14 higher than last month and \$7.06 lower than March 2006. There were 328 propane customers in Hettinger as of January 31, 2007.

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>.