

NORTH DAKOTA PUBLIC SERVICE COMMISSION
April 19, 2007

**Montana-Dakota Utilities Co., A Division
of MDU Resources Group, Inc.
May 2007
Cost of Gas Adjustment/Propane**

**PU-07-133
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MDU is decreasing its Cost of Gas Adjustment by \$0.803 per dekatherm (dk) compared to last month. The Cost of Gas Adjustment will change from \$11.413 per dk to \$10.610 per dk. The revised cost of gas adjustment will be applied to propane gas bills issued during May 2007 to Hettinger customers.

The cost of gas change is due to:

- \$0.549 per dk decrease in the commodity cost of gas.
- \$0.001 per dk increase in the margin sharing provision.
- \$0.255 per dk 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 5.0 dk (representative of May), the cost of propane gas in the bill will be approximately \$4.02 lower than last month and \$1.48 higher than May 2006. There were 327 propane customers in Hettinger as of March 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>.