

NORTH DAKOTA PUBLIC SERVICE COMMISSION  
August 10, 2005

**Great Plains Natural Gas Co.  
August 2005  
Cost of Gas Adjustment**

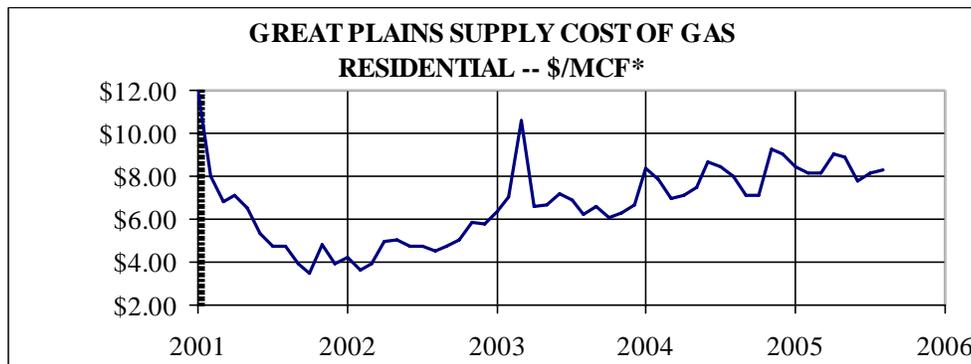
**PU-05-483  
Filed 08/01/2005**

Great Plains is increasing its cost of gas adjustment to residential customers by \$0.1319 per dekatherm (dk) compared to last month. This gas adjustment will be applied to natural gas used on or after August 1, 2005.

This cost of gas adjustment on the bill will change from \$2.9877 per dk to \$3.1196 per dk.

For residential consumption of 1.8 dk (representative of August), the cost of gas in the bill will be approximately \$0.24 higher than last month and \$0.56 higher than August 2004.

The total supply-cost of gas for August usage is \$8.3045 per dk.



The supply-cost of gas change is due to:

- \$0.1116 per dk increase in the commodity-cost of gas.
- \$0.0203 per dk decrease in pipeline charges.

The increase in commodity-cost of gas is attributed to high oil prices, warmer weather throughout the states that required additional natural gas fired electric generation, and continued strength in the economy. Although natural gas storage remains above the 5-year average, current and future prices remain relatively high compared to historical levels apparently due to market expectations of persisting tightness in the natural gas market. Prices are projected to increase as the winter heating season boosts natural gas demand.

For Great Plains, the Cost of Gas for the month is based on the established price for the Alberta Energy Company Ltd. (AECO) Index. The AECO Index is based on the weighted average one month spot price at AECO-Calgary Hub (AECO-C) / Nova Inventory Transfer (NIT) as reported by Natural Gas Exchange (NGX).

The Department of Energy's (DOE) Energy Information Administration (EIA) provides various publications on energy issues. The information is available on the EIA website: <http://www.eia.doe.gov>.

There were 2,044 Great Plains customers in North Dakota as of December 31, 2004.

**MOTION**

**August 10, 2005**

**Great Plains Natural Gas Co.  
August 2005  
Cost of Gas Adjustment**

**Case No. PU-05-483**

I move the Commission approve Great Plains Natural Gas Co.'s Cost of Gas adjustment for August 2005, Case No. PU-05-483.

PJF/sdh