

NORTH DAKOTA PUBLIC SERVICE COMMISSION
September 21, 2005

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

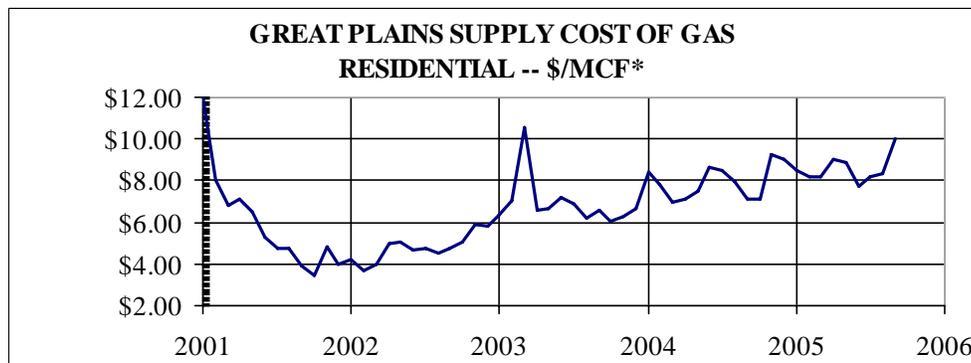
**PU-05-520
Filed 09/02/2005**

Great Plains is increasing its cost of gas adjustment to residential customers by \$1.6805 per dekatherm (dk) compared to last month. This gas adjustment will be applied to natural gas used on or after September 1, 2005.

This cost of gas adjustment on the bill will change from \$3.1196 per dk to \$4.8001 per dk.

For residential consumption of 3.5 dk (representative of September), the cost of gas in the bill will be approximately \$5.88 higher than last month and \$10.18 higher than September 2004.

The total supply-cost of gas for September usage is \$9.985 per dk.



The supply-cost of gas change is due to:

- \$1.673 per dk increase in the commodity-cost of gas.
- \$0.0075 per dk increase in pipeline charges.

The increase in commodity-cost of gas is attributed to continued high oil prices, warmer weather throughout the states that required additional natural gas fired electric generation, Gulf of Mexico production being shut in as a result of hurricanes, 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

September 21, 2005

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

Case No. PU-05-520

I move the Commission approve Great Plains Natural Gas Co.'s Cost of Gas adjustment for September 2005, Case No. PU-05-520.

PJF/sdh