

NORTH DAKOTA PUBLIC SERVICE COMMISSION
June 22, 2006

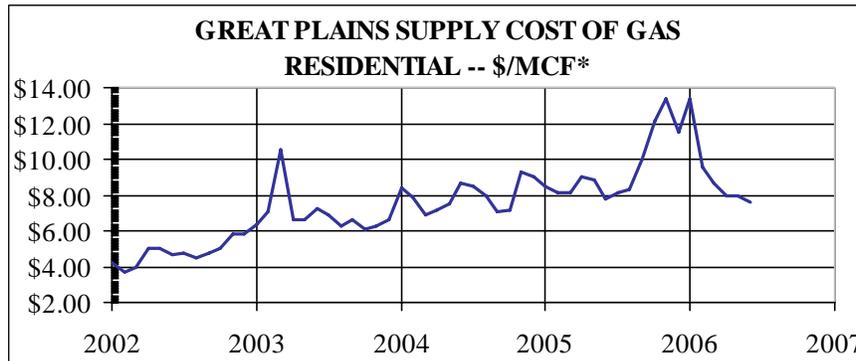
**Great Plains Natural Gas Co.
June 2006
Cost of Gas Adjustment**

**PU-06-224
Filed 06/01/2006**

Great Plains is decreasing its cost of gas adjustment to residential customers by \$0.3662 per dekatherm (dk) compared to last month. This gas adjustment will be applied to natural gas used on or after June 1, 2006.

This cost of gas adjustment on the bill will change from \$7.9745 per dk to \$7.6083 per dk.

For residential consumption of 2.2 dk (representative of June), the cost of gas in the bill will be approximately \$0.80 lower than last month and \$0.31 lower than June 2005.



The supply-cost of gas change is due to:

- \$0.8523 per dk decrease in the commodity cost of gas.
- \$0.0649 per dk decrease in pipeline charges.
- \$0.5510 per dk increase in the annual over/under recovery mechanism

Moderate temperatures and sufficient supplies of natural gas in storage contributed to the price decline. The future prices remain high compared to historical levels and reflect market expectations of persisting tightness in the natural gas market despite high storage inventories. The storage inventories as of May 19 were 50% above the five-year average as reported by the Energy Information Administration.

The principal sources of natural gas for Wahpeton are the large Western Canadian Sedimentary Basin. 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>.

As of December 31, 2005, Great Plains served 1,692 residential customers and 2,063 total customers in North Dakota.

MOTION

June 22, 2006

**Great Plains Natural Gas Co.
June 2006
Cost of Gas Adjustment**

Case No. PU-06-224

I move the Commission approve Great Plains Natural Gas Co.'s Cost of Gas adjustment for June 2006, Case No. PU-06-224.

PJF/sdh