

NORTH DAKOTA PUBLIC SERVICE COMMISSION
September 20, 2006

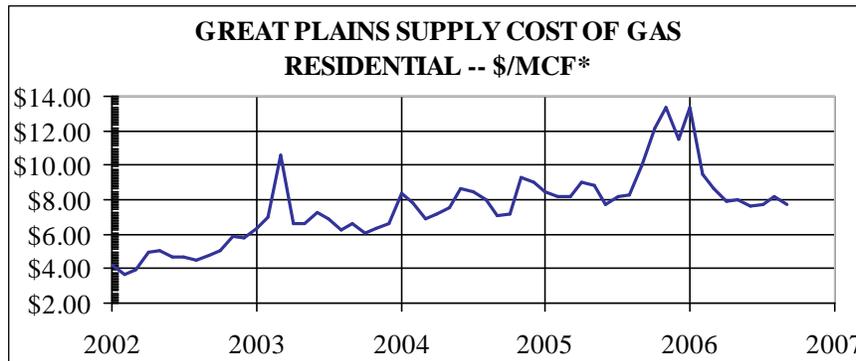
**Great Plains Natural Gas Co.
September 2006
Cost of Gas Adjustment**

**PU-06-397
Filed 09/05/2006**

Great Plains is decreasing its cost of gas adjustment to residential customers by \$0.4686 per dekatherm (dk) compared to last month. This gas adjustment will be applied to natural gas used on or after September 1, 2006.

This cost of gas adjustment on the bill will change from \$8.1573 per dk to \$7.6887 per dk.

For residential consumption of 3.5 dk (representative of September), the cost of gas in the bill will be approximately \$1.64 lower than last month and \$8.03 lower than September 2005.



The supply-cost of gas change is due to:

\$0.4464 per dk decrease in the commodity cost of gas.

\$0.0222 per dk decrease in pipeline charges.

A decrease in usage of natural gas fired electric generation to meet the summer cooling demand, an uneventful hurricane season to date, and continued high storage levels likely contributed to the price increase. 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 August 18 were 13.5% 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

September 20, 2006

**Great Plains Natural Gas Co.
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Case No. PU-06-397

I move the Commission approve Great Plains Natural Gas Co.'s Cost of Gas adjustment for September 2006, Case No. PU-06-397.

PJF