

NORTH DAKOTA PUBLIC SERVICE COMMISSION  
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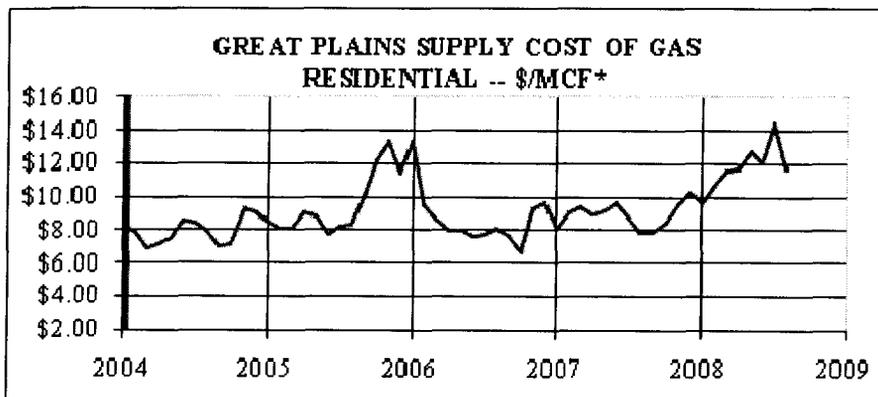
Great Plains Natural Gas Co.  
August 2008  
Cost of Gas

PU-08-645  
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Great Plains is decreasing its cost of gas charge to residential customers by \$2.7864 per thousand cubic feet (mcf) compared to last month. This Cost of Gas charge will be applied to natural gas bills issued during August 2008.

The cost of gas on the customer bill will change from \$14.4251 per mcf to \$11.6387 per mcf.

For residential consumption of 1.8 mcf (representative of August), the cost of gas in the bill will be approximately \$5.02 lower than last month and \$6.69 higher than August 2007.



The supply-cost of gas change is due to:

\$2.7823 per mcf decrease in the commodity cost of gas.

\$0.0041 per mcf decrease in pipeline charges.

The change in commodity cost of gas is attributed to falling crude oil prices and easing concerns about the sufficiency of natural gas being injected into storage despite warm temperatures across much of the lower 48 states during July. The Energy Information Administration reported that, as of July 25, 2008, storage inventories nationwide were 0.5% below the five-year average.

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, 2007, Great Plains served 1,694 residential customers and 2,063 total customers in North Dakota.