

NORTH DAKOTA PUBLIC SERVICE COMMISSION
July 21, 2004

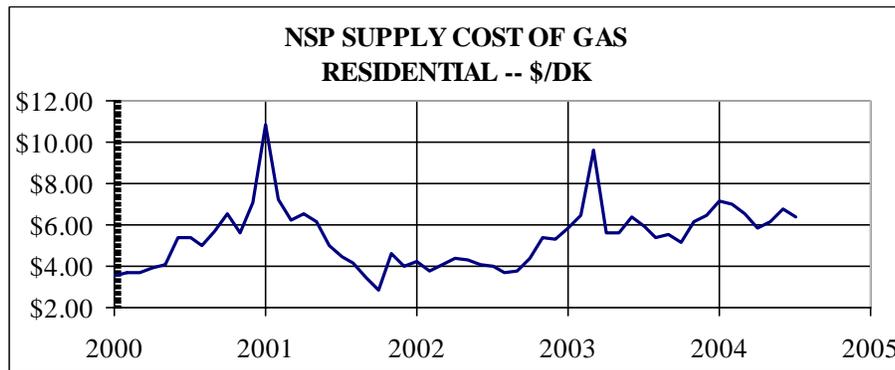
Northern States Power Company
July 2004
Cost of Gas Adjustment

PU-04-326
Filed 07/02/2004

SUMMARY OF PROPOSAL:

NSP is decreasing the cost of gas adjustment by \$.4204 per dK compared to last month. This gas adjustment will be applied to natural gas used by NSP residential customers on and after July 2, 2004. This changes the current residential customer cost of gas adjustment on the bill from \$6.7957 per dK to \$6.3753 per dK.

For residential consumption of 1.2 dk (representative of July), the cost of gas in the bill will be approximately \$.50 lower than last month and \$.52 higher than July 2003. There were 40,554 NSP gas customers in North Dakota as of December 31, 2003.



The increase for residential customers results from:

- \$.4232 per dK decrease in the commodity cost of gas
- \$.0028 per dK increase in the demand cost of gas

NSP states that the commodity cost of gas decrease is, in part, due to a decrease in national crude prices and expected incremental demand for natural gas. The demand cost increase is due to an increase in the Northern Natural Gas Pipeline reservation rates.

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>.

MOTION

July 21, 2004

**Northern States Power Company
July 2004
Cost of Gas Adjustment**

Case No. PU-04-326

I move the Commission approve Northern States Power Company's cost of gas adjustment for July 2004, Case No. PU-04-326.

PJF