

NORTH DAKOTA PUBLIC SERVICE COMMISSION
December 30, 2004

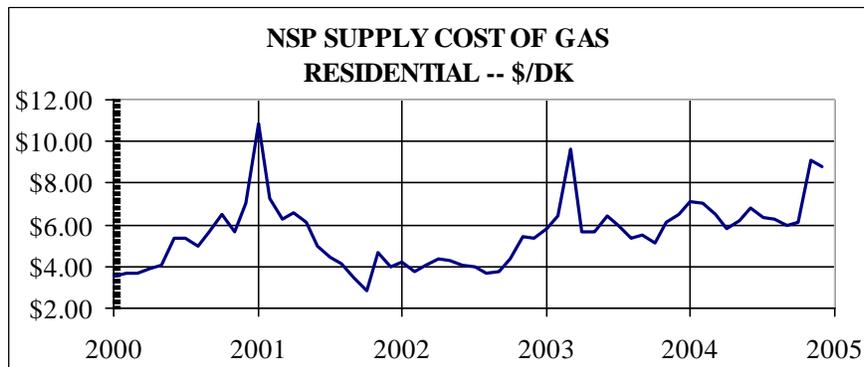
**Northern States Power Company
December 2004
Cost of Gas Adjustment**

**PU-04-630
Filed 12/01/2004**

SUMMARY OF PROPOSAL:

NSP is decreasing the cost of gas adjustment by \$0.2508 per dekatherm (dk) compared to last month. This gas adjustment will be applied to natural gas used by NSP residential customers on and after December 2, 2004. This filing changes the residential customer cost of gas adjustment from \$9.0705 per dK to \$8.8197 per dK.

For residential consumption of 15.7 dk (representative of December), the cost of gas in the bill will be approximately \$3.94 lower than last month and \$36.69 higher than December 2003. There were 40,554 NSP gas customers in North Dakota as of December 31, 2003.



The decrease for residential customers results from:

- \$0.2088 per dK decrease in the commodity cost of gas
- \$0.0420 per dK decrease in the demand cost of gas

NSP states that the demand cost decreased due to new demand allocation factors used in the Northern Natural Gas Pipeline tariff rate.

For NSP, the Cost of Gas for the month is locked by contract at the price on the 1st of the month on the Ventura Index, for some of its gas contracts, or the Northern Natural Gas's Demarcation.

The Department of Energy's (DOE) Energy Information Administration's (EIA) Natural Gas Weekly Update stated that, for the week of November 2-9, natural gas prices declined due to temporary warming of temperatures. The Natural Gas Weekly Update for the week of November 24-December 1 stated that, although temperatures remained moderate, December's arrival brought some of the coldest temperatures of the current winter. This contributed to widespread price increases in spot markets across the Lower 48 States.

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>.

M O T I O N

December 30, 2004

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December 2004
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Case No. PU-04-630

I move the Commission approve Northern States Power Company's cost of gas adjustment for December 2004, Case No. PU-04-630.

PJF