

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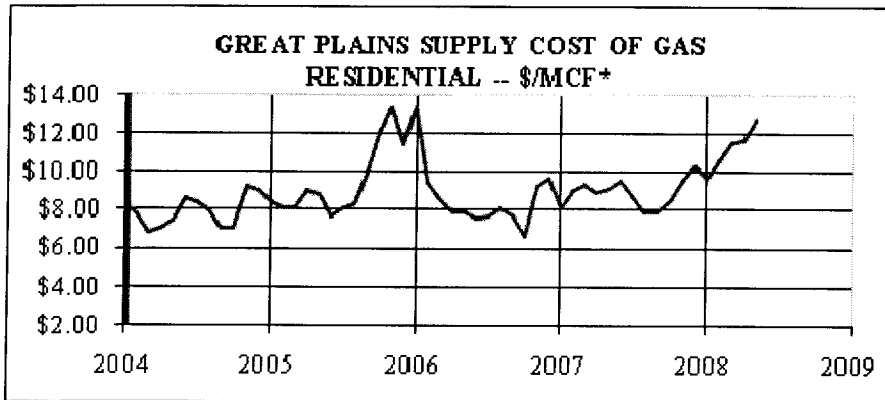
Great Plains Natural Gas Co.
May 2008
Cost of Gas

PU-08-198
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Great Plains is increasing its cost of gas charge to residential customers by \$1.0913 per thousand cubic feet (mcf) compared to last month. This Cost of Gas charge will be applied to natural gas bills issued during May 2008.

The cost of gas on the customer bill will change from \$11.6383 per mcf to \$12.7296 per mcf.

For residential consumption of 4.0 mcf (representative of May), the cost of gas in the bill will be approximately \$4.37 higher than last month and \$14.06 higher than May 2007.



The supply-cost of gas change is due to:

\$1.0927 per mcf increase in the commodity cost of gas.

\$0.0014 per mcf decrease in pipeline charges.

The change in commodity cost of gas is attributed to decreased natural gas supply as a result of the shut in of a Gulf of Mexico Independence Hub, LNG imports for the month of April at one-third of last year's volumes, the continued record high prices of crude oil and the storage levels slightly below the five year average. The Energy Information Administration reported that, as of April 18, 2008 storage inventories nationwide were 1.9% 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.