

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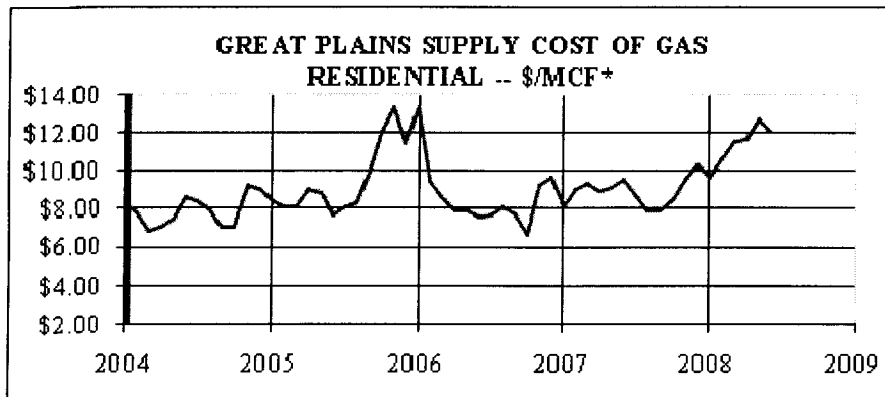
Great Plains Natural Gas Co.
June 2008
Cost of Gas

PU-08-272
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Great Plains is decreasing its cost of gas charge to residential customers by \$0.6549 per thousand cubic feet (mcf) compared to last month. This Cost of Gas charge will be applied to natural gas bills issued during June 2008.

The cost of gas on the customer bill will change from \$12.7296 per mcf to \$12.0747 per mcf.

For residential consumption of 2.2 mcf (representative of June), the cost of gas in the bill will be approximately \$1.44 lower than last month and \$5.34 higher than June 2007.



The supply-cost of gas change is due to:

\$0.1012 per mcf increase in the commodity cost of gas.

\$0.1305 per mcf increase in pipeline charges.

\$0.8866 per mcf decrease in the annual over/under recovery mechanism.

The change in commodity cost of gas is attributed to the continued shut in of a Gulf of Mexico Independence Hub, 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 May 23, 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.