

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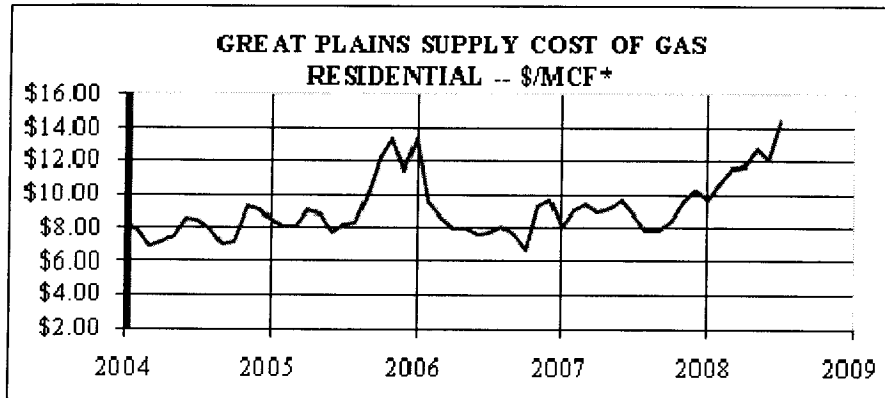
Great Plains Natural Gas Co.  
July 2008  
Cost of Gas

PU-08-459  
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Great Plains is increasing its cost of gas charge to residential customers by \$2.3504 per thousand cubic feet (mcf) compared to last month. This Cost of Gas charge will be applied to natural gas bills issued during July 2008.

The cost of gas on the customer bill will change from \$12.0747 per mcf to \$14.4251 per mcf.

For residential consumption of 1.7 mcf (representative of July), the cost of gas in the bill will be approximately \$4.00 higher than last month and \$5.63 higher than July 2007.



The supply-cost of gas change is due to:

- \$2.2764 per mcf increase in the commodity cost of gas.
- \$0.0740 per mcf increase in pipeline charges.

The change in commodity cost of gas is attributed to increases in demand from electric generators meeting air-conditioning demand and continued record high prices of crude oil and the storage level slightly below the five year average. The Energy Information Administration reported that, as of June 20, 2008 storage inventories nationwide were 2.7% 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.