

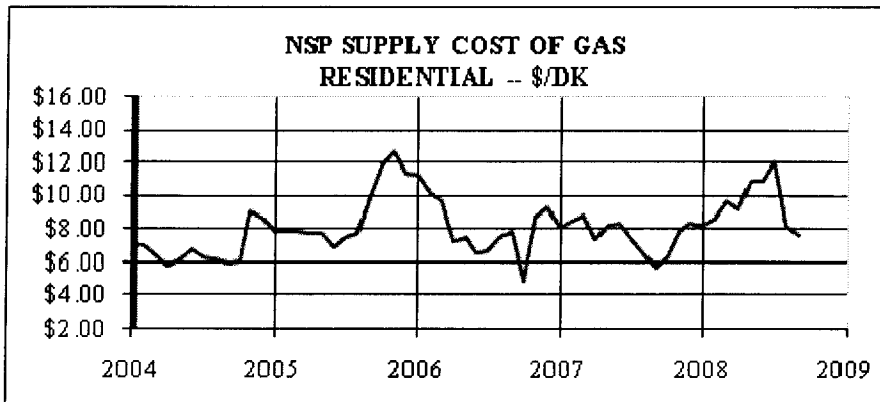
NORTH DAKOTA PUBLIC SERVICE COMMISSION  
September 10, 2008

**Northern States Power Company**  
**September 2008**  
**Cost of Gas**

**PU-08-730**  
**Filed 08/27/2008**

NSP is decreasing the cost of gas by \$0.6798 per dekatherm (dK) compared to last month. This cost of gas will be applied to natural gas used by NSP residential customers on and after September 1, 2008. This filing changes the residential customer cost of gas from \$8.3136 per dK to \$7.6338 per dK.

For residential consumption of 1.5 dk (representative of September), the cost of gas in the bill will be approximately \$1.01 lower than last month and \$2.90 higher than September 2007. As of December 31, 2007, NSP served 38,185 residential gas customers, and a total of 44,825 gas customers, in Fargo, Grand Forks and surrounding communities.



The change for residential customers results from:

- \$0.7704 per dK decrease in the commodity cost of gas.
- \$0.0114 per dK decrease in pipeline costs.
- \$0.1057 per dK increase in the annual true-up factor. The annual true up of gas costs is changing from negative \$.0235 per dK to positive \$0.0822.
- \$0.0037 per dk decrease in the Manufactured Gas Plant cleanup charge, changing from \$.0384 to \$.0347 per dk.

The decrease in commodity cost is attributed to supplies at higher level than expected and expectation that a slowing economy will curb demand for gas. The calculation of the annual true-up factor includes \$349,000 that is expected to be recovered from July 2008 rebilling and remaining revenue yet to be billed related to the automated meter-reading module failures.

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>.