

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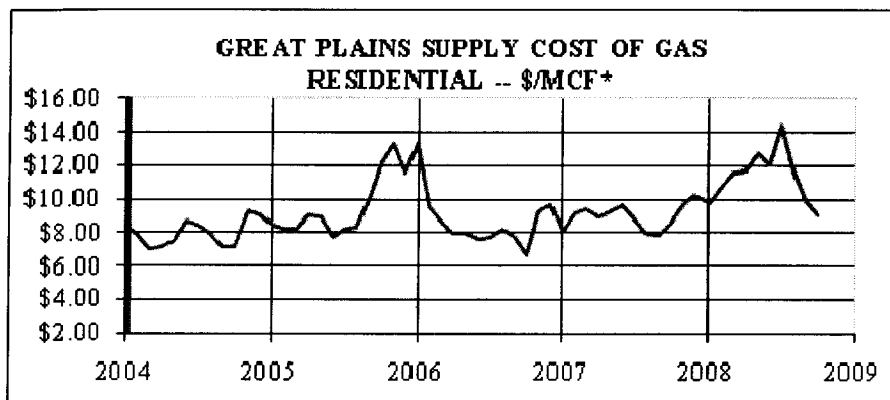
Great Plains Natural Gas Co.
October 2008
Cost of Gas

PU-08-800
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Great Plains is decreasing its cost of gas charge to residential customers by \$0.8352 per thousand cubic feet (mcf) compared to last month. This Cost of Gas charge will be applied to natural gas bills issued during October 2008.

The cost of gas on the customer bill will change from \$9.8721 per mcf to \$9.0369 per mcf.

For residential consumption of 7.5 mcf (representative of October), the cost of gas in the bill will be approximately \$6.26 lower than last month and \$3.86 higher than October 2007.



The supply-cost of gas change is due to:

\$0.7486 per mcf decrease in the commodity cost of gas.

\$0.0866 per mcf decrease in pipeline charges.

The change in commodity cost of gas is attributed to lower prices for crude oil, lower gas demand, and a strong year over year increase in natural gas production. The Energy Information Administration reported that, as of September 19, 2008, storage inventories nationwide were 1.2% above 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.