

NORTH DAKOTA PUBLIC SERVICE COMMISSION
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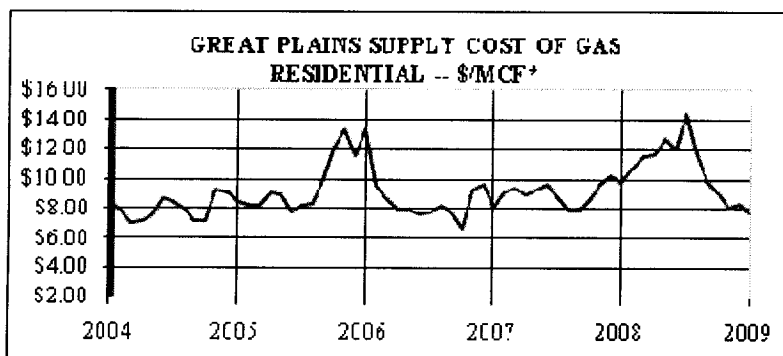
Great Plains Natural Gas Co.
January 2009
Cost of Gas

PU-09-8
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Great Plains is decreasing its cost of gas charge to residential customers by \$0.5706 per thousand cubic feet (mcf) compared to last month. This Cost of Gas charge will be applied to natural gas bills issued during January 2009.

The cost of gas on the customer bill will change from \$8.2725 per mcf to \$7.7019 per mcf.

For residential consumption of 20.1 mcf (representative of January), the cost of gas in the bill will be approximately \$11.47 lower than last month and \$39.91 lower than January 2008.



The supply-cost of gas change is due to:

\$0.4997 per mcf decrease in the commodity cost of gas.

\$0.0709 per mcf decrease in pipeline charges.

The change in commodity cost of gas is attributed to the continuing economic downturn and the large-scale reduction in demand for all energy products that is expected to accompany the downturn. The higher than average storage level and increase in domestic supply contribute to the projected price decrease. The Energy Information Administration reported that, as of December 19, 2008, storage inventories nationwide were 3.4% 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.