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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO**

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**RE: THE INVESTIGATION AND SUSPENSION)
OF TARIFF SHEETS FILED BY COLORADO)
NATURAL GAS, INC. WITH ADVICE LETTER) DOCKET NO. 06S-394G
NO. 32.)**

**STIPULATION AND AGREEMENT
IN RESOLUTION OF PROCEEDING**

This Stipulation and Agreement in Resolution of Proceeding (“Stipulation”) is entered into by and among Colorado Natural Gas, Inc. (“CNG” or “Company”), the Staff of the Public Utilities Commission of the State of Colorado (“Staff”) and the Colorado Office of Consumer Counsel (“OCC”). CNG, Staff and the OCC are referred to herein collectively as the Parties and individually as a Party. This Stipulation sets forth the terms and conditions by which the Parties have agreed to resolve all outstanding issues presented by the Company’s July 5, 2006 advice letter filing commencing this general rate case proceeding that have or could have been contested in this proceeding.

The Parties state that the results of the compromises reflected herein are a just and reasonable resolution of this gas rate case proceeding, that reaching agreement as set forth herein and implementation of the compromises and settlements reflected in this Stipulation will result in savings to all concerned by establishing certainty and avoiding further litigation. Each party hereto pledges its support of this Stipulation and states that each will defend the

settlement reached. The Parties respectfully request that the Public Utilities Commission of the State of Colorado (“Commission”) approve this Stipulation, without modification.

I. BACKGROUND

1) On July 5, 2006, CNG filed Advice Letter No. 32 and accompanying tariff sheets,¹ proposing to implement revised base rates² for its gas sales services for its Bailey, Conifer and Cripple Creek service areas, to be effective August 5, 2006. The Commission, by Decision No. C06-0841, adopted July 19, 2006, suspended the proposed tariffs for investigation and hearing. In addition, Decision No. C06-0841 established the intervention period, as well as certain other procedural dates, governing this proceeding.

2) On July 18, 2006, the OCC filed its Protest and Request for Hearing relative to Advice Letter No. 32.

3) On August 8, 2006, Staff filed its Notice of Intervention, Entry of Appearance, Notice Pursuant to Rule 1007(a) and Rule 1403(b) and Request for Hearing.

4) On August 9, 2006, CNG filed Amended Advice Letter No. 32, wherein the Company proposed to modify the proposed effective date of the accompanying tariff sheets in order to allow for sufficient notice to be given of this proceeding.

5) By Decision No. C06-0996, adopted August 23, 2006, the Commission extended the suspension period in this proceeding.

¹ The Company’s filing also included supporting direct testimony and exhibits by Messrs. Johnston, Taylor and Anderson.

² The term “base rates” as used herein are exclusive of any gas costs recovered through the gas cost adjustment recovery mechanism. Transportation rates for non-discounted transportation customers are set equal to base rates for commercial customers per this Stipulation.

6) On August 21, 2006, the OCC filed its Notice of Intervention of Right, Entry of Appearance and Request for Hearing. Other than Staff and the OCC, no other persons intervened or petitioned to intervene in this proceeding.

7) On August 23, 2006, presiding Administrative Law Judge Mana L. Jennings-Fader issued Recommended Decision No. R06-0983-I wherein the ALJ vacated certain of the procedural dates set forth in Decision No. C06-0841 and, in their place, set a prehearing conference in the matter.

8) A prehearing conference was held in this matter on September 6, 2006, at which time a comprehensive procedural schedule was agreed upon and approved by the ALJ. Decision No. R06-1050-I, issued September 7, 2006, set forth the agreed upon procedural schedule.

9) On October 20, 2006, Staff and the OCC filed their answer testimony and exhibits in this proceeding.³

10) On November 20, 2006, CNG filed its rebuttal testimony and exhibits.⁴

11) On November 29, 2006, ALJ Jennings-Fader issued Decision No. R06-1397-I notifying the Parties that the letters received from members of the public regarding CNG's rate case filing will be considered as part of the record in this proceeding.

12) Hearing commenced pursuant to the procedural schedule set forth in Decision No. R06-1050-I on December 13, 2006 and continued thereafter on December 14, 15 and 20,

³ Staff filed the answer testimony and exhibits of Ms. McGee-Stiles, Ms. Friedman and Mr. Kwan. The OCC filed answer testimony and exhibits of Messrs. Skluzak and Trokey and Dr. Schechter.

2006, but was not completed as a result of the settlement reached and set forth herein. Exhibits 1 through 8, 12, 16-23, 25-31, 33, 35 and 36 were admitted into evidence at hearing.⁵

13) Pursuant to Decision No. R06-1497-I, issued on December 27, 2006, additional hearings (along with revisions to certain other procedural dates previously established) were scheduled for January 8 and 12, 2007.

14) On January 3, 2007, the Commission issued Decision No. C07-0011 in which the Commission further suspended (until April 9, 2007) the effective date of the tariff sheets accompanying Advice Letter 32, as amended.

15) On January 5, 2007, the Parties contacted the ALJ to advise her of their desire to vacate the January 8, 2007 hearing date in order that they might explore settlement before resuming hearings in this matter. The ALJ granted this request and thereafter issued Decision No. R07-0029-I.

16) On January 8, 2007, the Parties met to discuss the possibility of renewing settlement negotiations. Their discussions resulted in an agreement in principle pursuant to which they agreed to the resolution of all issues which were or could have been raised in this proceeding.

17) The Parties have reduced their agreement in principle to a comprehensive settlement. This Stipulation reflects the terms of that comprehensive settlement.

⁴ CNG filed rebuttal testimony and exhibits of Messrs. Anderson, Garretson, Johnston, Manning, Moody and Taylor.

18) This Stipulation incorporates by this reference the Stipulation Attachments A through D, appended hereto, which are identified as follows:

- Stipulation Attachment A - Settled Revenue Requirements Study
- Stipulation Attachment B - Summary of Settled Revenue Requirements Issues
- Stipulation Attachment C - Settled Revisions to Colorado PUC No. 1 – Gas Tariff
- Stipulation Attachment D - Rate Comparisons – Present and Settled; Bill Impacts

II. TERMS OF SETTLEMENT

A. Revenue Requirement

The Parties have agreed upon a settled revenue requirement of \$6,590,362 based upon the test year of twelve months ending March 31, 2006, resulting in an increase in jurisdictional base rate revenues of approximately \$1,741,142. Based upon the settlement negotiations herein, the Parties note that this revenue requirement is 18.87% below the Company's original filing of approximately \$8,123,359, and 11.56% or \$682,889 above the OCC's filed case of approximately \$5,907,473, and is 19.11% or \$1,057,137 above the Staff's filed case of approximately \$5,533,225.⁶ The Parties have agreed to the specific resolution of the disputed issues concerning revenue requirements, as set forth in Sections II. A. 1. through II. A. 9. below. A numeric summary of the agreed upon resolution of the various issues and their corresponding effect on the revenue requirement is set forth in Stipulation Attachment B. For the purpose of determining revenue requirements, to the

⁵ Exhibits 24 and 32 were offered but rejected. Exhibit 34 was marked for identification but had not yet been offered for admission before hearings were vacated.

⁶ See further discussion at Stipulation Attachment A, Narrative Tab, Item (8).

extent an issue is not specifically addressed in this Stipulation or detailed in the supporting revenue requirement study in Stipulation Attachment A, the Parties agree to implementation of the Company's proposal as to that issue, as reflected in the Company's rate case as originally filed on July 5, 2006.

1. Rate of Return on Equity

Background. CNG witness Anderson presented direct and rebuttal testimony in support of CNG's proposed authorized rate of return on equity ("ROE") of 15%. Staff witness Friedman argued that based on her Discounted Cash Flow ("DCF") analysis, a more appropriate ROE for the Company would be 11%. OCC witness Schechter argued that, absent a DCF analysis or other analytic support for increasing its ROE, the Commission should order the currently authorized ROE of 12% arising out of the settlement in CNG's last rate case⁷ should remain in place.

Resolution. For purposes of settlement, the Parties agree that the currently authorized ROE of 12.0% shall remain in place. The Parties recognize and acknowledge that CNG's capital structure is heavily weighted toward debt which poses a higher risk on the Company and its ratepayers.

2. Cost of Debt

Background. CNG witness Taylor presented testimony regarding the Company's cost of capital analysis, which incorporated CNG's weighted average cost of debt. Mr. Taylor's

⁷ Docket No. 05S-412G.

analysis included CNG's actual cost of debt at June 29, 2006.⁸ Neither Staff nor the OCC took exception to the use of such percentage for purposes of developing rates in this proceeding.

Resolution. For purposes of settlement, the Parties agree that CNG's actual cost of debt at June 29, 2006 of 6.77% shall be used to determine the weighted average cost of capital.

3. Capital Structure and Return on Rate Base

Background. CNG witness Taylor presented testimony regarding CNG's actual capital structure⁹ as of March 31, 2006 of 68.10% debt and 31.90% equity that was used to develop CNG's proposed revenue requirement. While neither Staff nor the OCC challenged CNG's use of its actual capital structure for the purpose of developing CNG's proposed revenue requirement, each noted the relatively high percentage of debt as compared to other jurisdictional Colorado utilities. A significant contributing factor that prompted CNG to reach a comprehensive settlement in this matter is that CNG's parent company is in negotiations with a potential equity investor, which if successful will result in CNG issuing

⁸ That percentage is 6.77%.

⁹ The Parties note that the capital structure used to develop the revenue requirement in the Company's last rate case in Docket No. 0S-412G was 65.27% debt and 34.73% equity as of March 31, 2005. The Parties continue to support the statements set forth in § II (3) of Stipulation in Docket No. 05S-412G as follows: "While the Parties have not agreed on a specific capital structure to be attained prior to CNG's next rate case filing, the Parties believe as a general principle that a reasonable debt to equity ratio for CNG to utilize as a target is a 60% debt to 40% equity ratio at the time of its next rate case filing." "Notwithstanding the Parties' agreement to this general principle, the Parties further agree that nothing herein shall limit CNG's ability to initiate a rate case proceeding at any time, regardless of whether it has been successful in migrating its capital structure to one that includes a higher equity percentage."

additional equity to its parent such that after the issuance of such additional equity, CNG's actual capital structure will move very close to 60% debt and 40% equity ratio.

Resolution. For purposes of settlement, the Parties have agreed to the use of a pro forma capital structure for the Company consisting of 60% debt and 40% equity and which capital structure incorporates the assumption above as to CNG's potential capital structure after the infusion of additional equity. The Parties agree that a return on equity of 12%, combined with their agreed-upon cost of debt and pro forma capital structure of 60% debt and 40% equity, yields an authorized return on rate base of 8.86%. CNG also agrees that it will continue to be bound by the terms of the Stipulation and Agreement in Docket No. 05A-225G in which CNG agreed that Colorado customers will not bear any increased capital costs or operating expenses as a result of the activities of CNG Holdings, Inc.¹⁰

4. Rate Base

Background. As explained in the testimony and supporting workpapers of CNG witness Taylor, the Company's filing utilized year-end rate base. Staff calculated the Company's rate base using a 13-month average methodology. The OCC calculated rate base using what it described as a "simple average approach"¹¹ with removal of certain items from

¹⁰ See Paragraphs 13 through 16 of the Stipulation and Agreement in Docket No. 05A-225G, In the Matter of the Application of Colorado Natural Gas, Inc. for an Order Authorizing the Transfer of Stock, which was approved in Decision No. R05-1109, dated September 14, 2005.

¹¹ This difference is more thoroughly discussed at Stipulation Attachment A, Narrative Tab, Item (1).

rate base.¹² Also, Staff raised concerns on the lack of support for the depreciation rates of certain asset classes.

Resolution. For purposes of settlement, the Parties agree to the use of the OCC's simple average methodology for calculating rate base. Specifically, the Parties agree that such methodology results in an average rate base of \$33,829,135. The OCC's recommended deductions from average rate base are discussed below in Section 6. The Company further agrees to undertake a depreciation study before the next general rate case which shall identify the depreciable lives assigned by CNG to its utility plant and assets, as well as an explanation of the basis upon which CNG determined such depreciable lives.

5. Volumes and Customer Count

Background. As explained in the testimony and supporting workpapers of CNG witness Taylor, the Company's filing utilized weather normalized volumes of 751,493 Dth, which is calculated by multiplying historical average annual customer usage by the year end customer count of 7,429. Staff likewise used the same year-end volumes and customer count. The OCC used weather normalized actual test year volumes and average¹³ customer counts in the development of its revenue deficiency calculations, although these calculations were not included in its filed answer testimony.

Resolution. The Parties agree that the settlement rates will be determined by deriving sales volumes and the customer count component in a manner consistent with the OCC's

¹² The "simple average approach" is determined by adding the rate base balance as of March 31, 2005 to the balance as of March 31, 2006 and then dividing that sum by two.

calculations described above.¹⁴ This method results in sales volumes of 698,379 Dth based on an average customer count of 6,536 customers (6,303 residential and 233 commercial customers).

6. CNG's Continued Acceptance of Certain Staff and OCC Adjustments

Background. In its rebuttal case, and as also explained during hearings, CNG accepted the following Staff and OCC adjustments proposed in their respective answer testimonies: reduction to rate base associated with customer advances, reduction to the revenue requirement associated with "Miscellaneous" and "Other" revenues and reduction of depreciation expense to reflect a change to the depreciable lives of certain assets. These adjustments are reflected in Stipulation Attachment A, Schedule 3, sheet 1 of 1 (Hearing Adjustments) and have a total impact of approximately \$253,198 on the revenue requirement based on the agreed upon treatment of these items.

Resolution. CNG continues to agree to the aforementioned adjustments for purposes of this settlement, with one minor modification relating to the treatment of customer deposits. In its answer testimony, the OCC took the position that the Company's rate base should be reduced to reflect customer deposits held by the Company. On rebuttal, CNG witness Garretson stated that in the Company's view, it has the option under acceptable accounting convention for CNG to either deduct the customer deposit liability from rate base, with the associated interest being included as a component of cost of service, or the liability may be

¹³ By way of contrast, this was not the same "simple average" as used by the OCC for its rate base calculation.

¹⁴ See further discussion at Stipulation Attachment A, Narrative Tab, Items (5) and (6).

included in the Company's capital structure for purpose of calculating return. In its rebuttal case, and at hearing, CNG indicated its intention to exercise the latter option. For purposes of settlement, however, CNG agrees that it will reflect customers' deposits in accordance with the OCC's methodology. Stipulation Attachment A, Schedule 3, reflects CNG's acceptance of these adjustments as discussed herein.

7. Updated Rate Case Expenses

Background/Resolution. Stipulation Attachment A, Schedule 1, includes the Company's original estimate of rate case expenses of \$128,684 within the O&M expense line item. The updated actual rate case expenses are \$227,091 as of January 12, 2007. CNG estimates additional rate case expenses of \$1,000 that will be necessary in order to prosecute this settlement before the Commission and to fulfill any compliance filing obligations resulting from Commission approval of this Stipulation. The difference between the original estimate and the updated actual expense is \$98,407. Schedule 1, Sheet 1 of 1, line 2, shows an annual increase in the revenue requirement from this increment of \$32,802 based on a thirty six month recovery period.

8. Meals and Training Costs

Background. In its filed case, CNG's proposed revenue requirement included capitalization in rate base of certain meal and training expenses incurred by the Company in conjunction with certain construction projects undertaken by the Company during the test period. The Company's books and records for the test period also included as expenses certain meals provided to employees and contractors. Staff opposed the Company's capitalization of meals and training costs in rate base and in addition challenged the

appropriateness of the Company's expensing of certain other meals provided to employees and contractors during normal work hours.

Resolution. For the purposes of settlement, CNG agrees that on a going-forward basis it will discontinue the capitalization of meals and training costs in rate base incurred in conjunction with construction projects undertaken by the Company. There will be no disallowance of those costs in this proceeding. The Parties reserve their rights to take any position they deem appropriate in any future rate case proceeding regarding the Company's practice of expensing of meals provided to employees and contractors.

9. Monthly Service & Facilities Charges

Background. In its filed case, CNG proposed to increase its Monthly Service and Facility Charges for Residential and Commercial service from their current levels of \$10.00 and \$20.00, respectively to \$15.00 and \$30.00, respectively. Staff and the OCC opposed these increases. The OCC further asserted that should the Commission approve the Company's proposal, the Commission should nevertheless provide for a mitigation measure such that the full amount of the increase would not be implemented all at once.

Resolution. For the purposes of settlement, the Parties agree that the Company's Monthly Service and Facility Charges will be increased from their current levels of \$10.00 and \$20.00 respectively for Residential and Commercial service to \$12.50 and \$25.00, respectively. In addition, CNG agrees that its next general rate case proceeding will be prepared and filed utilizing the \$12.50 and \$25.00 Service and Facility charges agreed to herein; provided, however, that the Company shall be free to also propose such other Service

& Facility charge(s) as it may deem appropriate so long as its filing also includes for comparison purposes the Service and Facilities charges agreed to herein.

B. Other Matters

1. Agreement to File Rate Case

Background. This is only the second rate case filing by CNG since it received its initial CPCN from the Commission in 1997. The first such rate case was decided by the Commission approximately one year ago, in Docket No. 05S-412G.

Resolution. For the purposes of settlement, the Parties agree that CNG shall file a combination Phase I (revenue requirement) and Phase II (cost allocation and rate design) rate case with the Commission no later than June 30, 2009. The Company, at its option, may choose to utilize a test period consisting of the 12-months ending December 31, 2008 or 12-months ending March 31, 2009 (which would coincide with the Company's fiscal year). In conjunction with this agreement to file a combination Phase I and Phase II rate case, the Company further agrees to prepare a load research study and a depreciation study and agrees to provide copies of same to Staff and the OCC at least 60 days in advance of such 2009 rate case filing. No later than sixty (60) days after the date of the final Commission order on this docket, the Parties will endeavor to meet and discuss the expected general approach for the load research study, as well as the expected methodology for the depreciation study. The parties agree that reasonable costs incurred by the Company in preparing such studies shall be recoverable expenses in the Company's 2009 rate case proceeding. It is estimated that the "out of pocket" costs will not exceed \$30,000. The Parties further agree that the requirement

to file a rate case as described herein supersedes the rate case filing requirements as set forth in the Stipulation and Agreement in Resolution of Proceeding entered into among the Parties in Docket No. 05S-412G.¹⁵

2. Treatment of 2001 Accounting Letter

Background. The Company's filing is predicated on a methodology for transferring investment in plant from Construction Work In Progress ("CWIP") to Utility Plant In Service ("UPIS"), the methodology surrounding which is described in detail in what the Parties refer to as the "Accounting Letter."¹⁶ The Parties note that in the Company's last rate case in Docket No. 05S-412G, the methodology by which the Company transfers investment from CWIP to UPIS was not an issue because no significant amounts were transferred from CWIP to UPIS during the test period pursuant to the method prescribed by the Accounting Letter. The Parties further note that it was not until the filing of the Company's rebuttal case in this proceeding that OCC and the Staff witnesses in this proceeding learned of what they believe to be a significant and unconventional impact on rates as a result of CNG's application of the methodology set forth in the Accounting Letter. As a result, the history and operation of the Accounting Letter received significant attention by Staff and the OCC during cross examination of Company witnesses regarding the effect of the Company's application of the accounting methodology set forth therein.

¹⁵ The specific filing requirements can be found in Section II(B) on page 19 of that document which is included as Exhibit MEF-01 to hearing Exhibit No. 14.

¹⁶ The "Accounting Letter" is actually comprised of two documents which are included as Exhibit TRJ-2 to hearing Exhibit No. 2.

Resolution. For the purposes of settlement, CNG agrees that from and after April 1, 2007, it shall discontinue the methodology described in the Accounting Letter for transferring CWIP to UPIS and in its place, shall revert to the method prescribed by the FERC's Uniform System of Accounts. The Parties agree that this change in methodology shall not require any restatement of the Company's books and records, and that the change shall be implemented relative to new investment on a strictly going-forward basis.

3. Rate Area Consolidation

Background. The Company's filing proposed to consolidate the Company's Bailey, Conifer and Cripple Creek rate areas into a single rate area for purposes of determining base rates.¹⁷ Staff opposed the Company's proposal for a variety of reasons, including, but not limited to, issues surrounding the absence of physical connection and rate disparity between the rate areas when viewed on a stand-alone basis. The OCC likewise opposed the Company's consolidation proposal.

Resolution. For the purposes of settlement, the Parties agree that CNG's Bailey and Conifer rate areas will be consolidated for purposes of determining CNG's base rates. CNG's Cripple Creek rate area will not be part of this consolidation. CNG acknowledges that Staff's and the OCC's willingness to agree to consolidation of the Bailey and Conifer rate areas is based in large part on the fact that the two systems will be physically connected in the very near future, as well as on the fact that the rate disparity between residential customers of Bailey and Conifer is small. CNG believes that the rate disparity between

Bailey and Conifer is attributable not so much to the underlying differences, such as investment per customer or usage per customer for the two rate areas, but rather is attributable to the difference in the composition of customer classes within the two rate areas.¹⁸ The issue, therefore, is not one of inter-area rate disparity, but rather is one of inter-class rate differences within a rate area. More particularly, Bailey has the benefit of the higher usage amount from commercial customers, which helps lower the per unit distribution charge for Bailey since the distribution charge for the Company is the same for both residential and commercial customers. On a stand-alone basis, the rates for Bailey and Conifer would be \$.7408/therm and \$.9723/therm, respectively, or about a 31% difference. If the usage of the commercial customers in Bailey were set the same as residential customers, this difference would drop to 13% based on the simple average rate base methodology used in this settlement. However, performing the same analysis using the year end methodology as proposed by the Company yields a difference of 6%, but with the Bailey residential rate being higher than the Conifer residential rate. This informal and high level analysis performed during settlement negotiations indicates that the stand-alone residential rate for the Bailey rate area would be close to the stand-alone residential rate in Conifer if the affect of Bailey's commercial load were removed, which therefore justifies the consolidation of the Bailey and Conifer rate areas. As to the rate difference between residential and commercial customers, the Company agrees to prepare a load research study to enable the execution of a

¹⁷ Conifer and Bailey have previously been treated as one rate area for Gas Cost Adjustment purposes, even though base rates have not been previously consolidated.

more proper cost allocation and rate design between customer classes reflective of their uses of the system. Finally, Staff and the OCC are in agreement, based upon CNG's representations, that there is the potential for efficiencies and associated cost savings associated with elimination of certain accounting and administrative functions that will no longer be required under a consolidated structure. The Company cannot at this time quantify these savings, in part because construction in the Conifer area was only completed during the test period. Efficiencies and savings such as elimination of one full set of accounts, reductions in paperwork time in the field, consolidation of some data entry in the accounting system and elimination of the need for allocation of common costs between the Bailey and Conifer areas will be reflected in the next rate case.

4. Agreement to Update Construction Allowance

Background. Staff believes any change or modification to CNG's Main Extension Policy as set forth in its tariff is premature until rate case parameters such as investment and final rates are known. Staff recommended that such policy be updated at a time certain after conclusion of the rate case.

Resolution. For purposes of settlement, the Parties agree that within 120 days following the effective date of the rates agreed to in this Stipulation, the Company shall file an advice letter proposing to revise the construction allowance available to new customers..

5. Issues Raised But Not Expressly Dealt With in this Stipulation

¹⁸ More specifically, the Bailey rate area has a significant commercial customer base while the Conifer area does not.

Except as modified in this Stipulation and for the purpose of this settlement, the Parties agree to implementation of the proposals contained in the Company's rate case filing as originally filed on July 5, 2006, and Commission approval of this Stipulation shall constitute Commission acceptance of all other such aspects of the rate case filing by the Company.

6. Request for Expedited Approval

The settlement in this case recognizes that the Company is currently not recovering its cost of service. The Parties further acknowledge that expedited approval of this Stipulation and implementation of the settlement rates agreed to herein will facilitate the Company's negotiation with a potential equity partner in the Company's parent, CNG Holdings, Inc. As a result, the Parties agree that the increased rates resulting from this settlement should become effective as early as practicable and further agree to request expedited review and approval of this Stipulation, without modification, in order to facilitate such an early effective date. However, the Parties also acknowledge and agree that should CNG's negotiation with the aforementioned potential equity investor not reach fruition either due to a delay in the approval of this Stipulation or for any other reason, such shall not be used as a basis by CNG for voiding this Stipulation.

7. No Settled Practice

The Parties agree that this Stipulation and the settlement rates, terms and conditions of service and the cost allocation, rate design and other methods contained in the Stipulation Attachments have been agreed to by the Parties solely for purposes of settlement and do not constitute a settled practice or otherwise have precedent-setting value in any future proceedings. Neither CNG, the Commission, its Staff, nor the OCC shall be deemed to have

approved, accepted, agreed to or consented to any concept, theory or principle underlying or supposed to underlie any of the matters provided for in this Settlement. Notwithstanding the resolution of the issues set forth in this Stipulation, none of the methods or ratemaking principles herein contained shall be deemed by the Parties to constitute a settled practice or precedent in any future proceeding. Nothing in this Stipulation shall preclude the Company from seeking prospective changes in its natural gas service rates by an appropriate filing with the Commission. Nothing in this Stipulation shall preclude any other party from filing a complaint or seeking an order to show cause to obtain prospective changes in the Company's natural gas service rates and/or provisions in the Company's tariff.

III. EFFECTIVE DATE OF SETTLEMENT RATES AND TERMS AND CONDITIONS OF SERVICE

This Stipulation shall take effect upon its approval by the Commission. Nothing in this Stipulation shall be construed as precluding the Company from filing a general rate case to change the rates for its natural gas services at any time. Nothing in this Stipulation shall be construed to limit the Company from applying to the Commission for adjustment clauses or for any other change to the Company's gas rates. Nothing in this Stipulation shall be construed to prevent the Staff of the Commission or any other party from seeking review by the Commission of the justness and reasonableness of the Company's natural gas service rates.

Except as provided in this paragraph, the provisions of this Stipulation shall terminate and have no continuing effect upon the effective date of the revised rates for natural gas services resulting from CNG's next revenue requirement rate case, whether initiated through the Company's filing of a rate case, or a formal complaint. Where reference is made in the

Stipulation to provisions that apply for a period of time, all such time period provisions of this Stipulation may be modified by a subsequent filing with the Commission or subsequent stipulation approved by the Commission.

IV. IMPLEMENTATION

This Stipulation shall not become effective until the issuance of a final Commission Order approving the Stipulation that does not modify the Stipulation in a manner that is unacceptable to any of the Parties. In the event the Commission modifies this Stipulation in a manner unacceptable to any Party, that Party shall have the right to withdraw from this Stipulation and proceed to hearing on the issues that may be appropriately raised by that Party in this docket. The withdrawing Party shall notify the Commission and the Parties to this Stipulation by e-mail within three business days of the Commission modification that the Party is withdrawing from the Stipulation and that the Party is ready to proceed to hearing; the e-mail notice shall designate the precise issue or issues on which the Party desires to proceed to hearing (the "Hearing Notice").

The withdrawal of a Party shall not automatically terminate this Stipulation as to the withdrawing Party or any other Party. However, within three business days of the date of the Hearing Notice from the first withdrawing Party, all Parties shall confer to arrive at a comprehensive list of issues that shall proceed to hearing and a list of issues that remain settled as a result of the first Party's withdrawal from this Stipulation. Within five business days of the date of the Hearing Notice, the Parties shall file with the Commission a formal notice containing the list of issues that shall proceed to hearing and those issues that remain settled. The Parties who proceed to hearing shall have and be entitled to exercise all rights

with respect to the issues that are heard that they would have had in the absence of this Stipulation.

Hearing shall be scheduled on all of the issues designated in the formal notice filed with the Commission as soon as practicable. In the event that this Stipulation is not approved, or is approved with conditions that are unacceptable to any Party who subsequently withdraws, the negotiations or discussions undertaken in conjunction with the Stipulation shall not be admissible into evidence in this or any other proceeding, except as may be necessary in any proceeding to enforce this Stipulation.

The Parties agree that, upon final Commission approval of this Stipulation, the Company will file an Advice Letter with the Commission, on not less than one day's notice prior to effective date ordered by the Commission, that will include a citation to the order approving the Stipulation, and the settlement rates, terms and conditions and tariff sheets set forth herein in Stipulation Attachment C. The Parties agree that the Commission's order should direct CNG to place into effect tariff sheets reflecting the tariff changes that are in all respects identical to the *pro forma* tariff sheets contained in Stipulation Attachment C hereto, with the exception that the effective date of the Commission's order shall be inserted in the tariff sheets where such reference is indicated, and with the further exception that the tariff sheets will contain the gas cost related rates pursuant to the most recent Company approved Gas Cost Adjustment filing. The settlement rates, terms and conditions shall then become final rates, terms and conditions to be effective as provided in Article III hereof and shall not be subject to refund, nor shall they be subject to modification except in accordance with the Public Utilities Law and the Commission's Rules and Regulations promulgated there under.

V. GENERAL TERMS AND CONDITIONS

The Parties hereby agree that all pre-filed testimony and exhibits not already admitted into evidence in this docket shall be admitted into evidence without cross-examination. This Stipulation reflects compromise and settlement of all issues raised or that could have been raised in this docket. This Stipulation shall be filed as soon as possible with the Commission for Commission approval.

Approval by the Commission of this Stipulation shall constitute a determination that the Stipulation represents a just, equitable and reasonable resolution of issues that were or could have been contested among the parties in this proceeding. The Parties state that reaching agreement as set forth herein by means of a negotiated settlement rather than through a formal adversarial process is in the public interest and that the results of the compromises and settlements reflected in this Stipulation are in the public interest.

This Stipulation may be executed in counterparts, each of which when taken together shall constitute the entire Stipulation with respect to the issues addressed by this Stipulation.

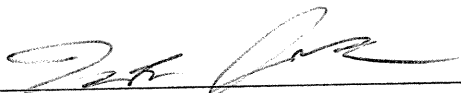
The Parties agree to a waiver of compliance with any requirements of the Commission's Rules and Regulations to the extent necessary to permit all provisions of this Stipulation to be carried out and effectuated.


DATED this 16th day of January, 2007.

Respectfully submitted,

COLORADO NATURAL GAS, INC.

Approved as to form:


By: 
Timothy Johnston
Vice President,
Colorado Natural Gas, Inc.

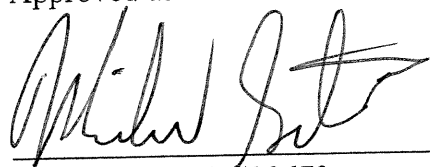

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**STAFF OF THE COLORADO
PUBLIC UTILITIES COMMISSION**

Approved as to form:

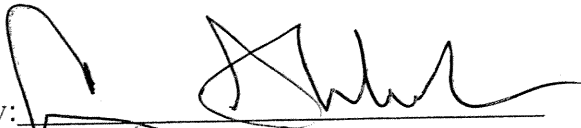
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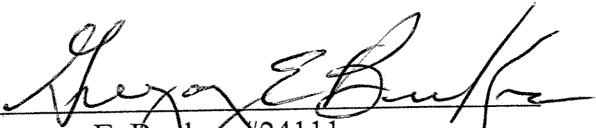
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STIPULATION ATTACHMENT A

Colorado Natural Gas, Inc.
CNG Settlement Offer Cost-of-Service Analysis - revised 1-12-07
Narrative

(1) In order to arrive at a simple average rate base, CNG uses the beginning year end rate base as the settlement rate base from the 2005 rate case. The rate base from the last rate case was \$24.6 million. OCC witness Skluzak uses a beginning year rate base as calculated in his Exhibit CWS-1, Schedule 2, page 1, which is \$23.6 million. Mr. Skluzak's rate base amount was taken directly from OCC's selections of CNG's audited trial balance and represents the balance at March 31, 2005. Every number but deferred tax liability is materially different between the two analyses. The net difference is, however, approximately \$1.0 million. So, the difference in average total system rate base is approximately \$0.5 million

(2) Return on equity is changed to 12.00%, yielding an 8.86% return on rate base.

(3) Capital structure imputed at 60/40 (debt/equity).

(4) Filed revenue requirements were adjusted in accordance with Staff/OCC outline contained in December 5, 2006 e-mail from Michael Santisi.

(5) Average test year customer count was used rather than the customer count that existed at March 31, 2006. The information was taken from WPP-4 revised.

(6) Actual sales volumes for the test year were adjusted for weather in accordance with the process shown in WPP-4 revised .

(7) Two revenue performance sheets were prepared. Schedule 11, Sh 1 of 2, assumes no consolidation of Conifer and Bailey. Schedule 11, Sh 2 of 2 assumes consolidation .

(8) Total settlement revenue requirement using OCC methodology is \$6.6 million. OCC recommended total revenue requirement per Mr. Skluzak was \$5.9 million - thus, a \$0.7 million increase over OCC recommended. The \$5.9 million amount is derived from adding the amounts shown on lines 6 and 9, Exh CWS-1, Schedule 1, Page 1 of \$2,148,552 and \$1,058,253 plus the amount for expenses of \$2,700,668 found on line 18, column D, Exh. CWS-1, Schedule 3, Page 1.

(9) Monthly Service & Facility Charges increased to \$12.50 for residential customers and \$25.00 for commercial customers.

(10) Rate case expenses are trued-up so as to adjust as-filed estimates to known costs.

Schedule 1
Sh 1 of 1

COLORADO NATURAL GAS, INC
COST OF SERVICE SUMMARY BY SERVICE AREA
TEST YEAR ENDED 3-31-06 AS ADJUSTED FOR REVENUE REQUIREMENT DEDUCTIONS & S&F REDUCTION - SETTLEMENT
Volumes in Dt's

Line No	Particulars (a)	Reference (b)	CNG Adjusted Cost of Service to Service Areas					Line No
			As filed Total (c)	Bailey (d)	Conifer (e)	Northern System (f)	Cripple Creek (g)	
Annual Cost of Service based on FY 2006, as adjusted								
1	Operation and Maintenance Expense	O&M - Sch 4	\$ 789,718	\$ 448,780	\$ 122,397	\$ 571,177	\$ 218,541	1
2	Rate case expense true-up	Note 1		19,252	5,059	24,311	8,492	2
3	Depreciation	Depreciation - Sch 10	1,849,573	984,326	348,893	1,333,220	516,353	3
4	Depreciation adjustment	hearing adj - Sch 3		(110,545)	(37,921)	(148,467)	(60,079)	4
5	Amortization	function of rate base			159,423	669,676	286,271	5
6	Income taxes	allocated on total O&M	1,217,270	510,253	31,984	149,255	57,107	6
7	Taxes other than income taxes	hearing adj - Sch 3	206,362	(17,271)	(6,796)	(24,622)	(9,114)	7
8	Revenue credits adjustment	line 20		1,600,361	500,016	2,100,377	897,863	8
9	Return on Rate Base at 8.86%		4,060,436	3,551,872	1,123,054	4,674,927	1,915,435	9
10			\$ 8,123,359	\$ 4,487,812	\$ 2,997,313	\$ 11,450,130	\$ 4,737,246	10
Rate Base								
11	Utility Plant in Service	gross plant - Sch 8	\$ 49,383,356	\$ 26,234,124	\$ 9,622,378	\$ 35,857,103	\$ 13,526,255	11
12	Less: Reserve for Depreciation	res for d&A - Sch 9	(4,623,587)	(2,661,867)	(310,646)	(2,972,513)	(1,651,074)	12
13	Net Plant at 3-31-06		\$ 44,759,771	\$ 23,572,257	\$ 9,311,732	\$ 32,884,590	\$ 11,875,182	13
14	Regulatory Assets							14
15	Working Capital							15
16	Rate base adjustments	hearing adj - Sch 3		(97,852)	(39,873)	(137,425)	(49,354)	16
17	Deferred income taxes	gross plant allocator	(1,546,723)	(621,672)	(301,399)	(1,123,071)	(423,652)	17
18	total year end rate base		\$ 43,213,048	\$ 22,652,733	\$ 8,971,360	\$ 31,624,093	\$ 11,402,176	18
19	beginning of year rate base	settled Docket No 06S-412G		13,461,000	2,312,000	15,773,000	8,859,000	19
20	simple average			18,056,867	5,641,680	23,698,547	10,130,588	20
21	Return on Rate Base at 8.86%	Ln 19 * 8.86%	\$ 4,060,436	\$ 1,600,361	\$ 500,016	\$ 2,100,377	\$ 897,863	21
Required Rates								
22	Total Revenue Requirement	line 10	\$ 8,123,359	\$ 3,551,872	\$ 1,123,054	\$ 4,674,927	\$ 1,915,435	22
23	Less: Service and Facility charges	modified for settlement	(1,380,524)	(593,400)	(151,200)	(744,600)	(270,750)	23
24	contract transportation revenue	as filed	(186,318)				(186,318)	24
25	Amount to recover from Distribution charge		\$ 6,556,517	\$ 2,958,472	\$ 971,854	\$ 3,930,327	\$ 1,458,367	25
26	Required Distribution charge per dekatherm	In 25 / annual volumes	\$ 8.725	\$ 7.408	\$ 9.723	\$ 7.872	\$ 7.325	26
Customer and Usage Statistics								
27	Customer count - average	WPP-4 revised for actual	7,188	3,716	1,008	4,724	1,579	27
28	residential	WPP-4 revised for actual	241	120	-	120	113	28
29	commercial	WPP-4 revised for actual	3	-	-	-	3	29
30	transportation	WPP-4 revised for actual						30
31	Annual usage by customer class (Dt)	WPP-4 revised for actual	613,999	333,460	89,951	433,411	129,975	31
32	residential	WPP-4 revised for actual	137,494	65,884	-	65,884	69,109	32
33	commercial	WPP-4 revised for actual	86,985	-	-	-	86,985	33
34	transportation	WPP-4 revised for actual						34

Notes: (1) Rate case true-up costs are the difference between estimated rate case expenses as contained in CNG's filed WPP- 3 and the total amount as adjusted through January 2007.

Schedule 2
Sh 1 of 1

COLORADO NATURAL GAS, INC
COST OF SERVICE SUMMARY BY SERVICE AREA
FOR TEST YEAR ENDED MARCH 31, 2006 AS FILED
Volumes in Dt's

Line No	Particulars (a)	Reference (b)	Cost of Service Assigned to Service Areas					Line No
			As filed Total (c)	Bailey (d)	Confiter (e)	Cripple Creek (f)	Total (g)	
Annual Cost of Service as filed								
1	Operation and Maintenance Expense	O&M - Sch 4	\$ 789,718	\$ 448,780	\$ 122,397	\$ 218,541	\$ 789,718	1
2	Depreciation	Depreciation - Sch 10	1,849,573	984,326	348,893	516,353	1,849,573	2
3	Amortization		-	640,864	253,830	322,579	1,217,273	4
4	Income taxes	as filed	206,362	117,271	31,984	57,107	206,362	5
5	Taxes other than income taxes	allocated on total O&M	4,060,436	2,137,718	846,696	1,076,022	4,060,436	6
6	Return on Rate Base at 9.40%	line 15	\$ 8,123,359	\$ 4,328,960	\$ 1,603,800	\$ 2,190,603	\$ 8,123,363	7
7								
Rate Base								
8	Utility Plant in Service	gross plant - Sch 8	\$ 49,383,358	\$ 26,234,124	\$ 9,622,978	\$ 13,526,255	\$ 49,383,358	8
9	Less: Reserve for Depreciation	res for d&a - Sch 9	(4,623,587)	(2,661,867)	(310,646)	(1,651,074)	(4,623,587)	9
10	Net Plant at 3-31-06		\$ 44,759,771	\$ 23,572,258	\$ 9,312,332	\$ 11,875,182	\$ 44,759,771	10
11	Regulatory Assets		-	(821,672)	(301,399)	(423,652)	(1,546,723)	11
12	Working Capital	gross plant allocator	(1,546,723)					12
13	Deferred income taxes		\$ 43,213,048	\$ 22,750,686	\$ 9,010,933	\$ 11,451,529	\$ 43,213,048	13
14								14
15	Return on Rate Base at 9.40%	Ln 14 * 9.40%	\$ 4,060,436	\$ 2,137,718	\$ 846,696	\$ 1,076,022	\$ 4,060,436	15
Required Rates								
16	Total Revenue Requirement	line 7	\$ 8,123,359	\$ 4,328,960	\$ 1,603,800	\$ 2,190,603	\$ 8,123,363	16
17	Less: Service and Facility charges	as filed	(1,380,524)	(722,475)	(283,425)	(374,624)	(1,380,524)	17
18	contract transportation revenue	as filed	(186,318)			(186,318)	(186,318)	18
19	Amount to recover from Distribution charge		\$ 6,556,517	\$ 3,606,485	\$ 1,320,375	\$ 1,629,661	\$ 6,556,520	19
20	Required Distribution charge per dekatherm	In 19 / annual vol	\$ 8.725	\$ 8.959	\$ 9.880	\$ 7.570	\$ 8.725	20
Customer and Usage Statistics								
21	Customer count at 3/31/06		7,188	3,770	1,573	1,845	7,188	21
22	residential	as filed	241	122	1	118	241	22
23	commercial transportation	as filed	3	-	-	3	3	23
24	Annual usage by customer class (Dt)		613,999	336,530	133,642	143,826	613,999	24
25	residential	as filed	137,494	66,038	-	71,456	137,494	25
26	commercial transportation	as filed	86,985	-	-	86,985	86,985	26

COSS-filed

COLORADO NATURAL GAS, INC
COST OF SERVICE SUMMARY BY SERVICE AREA
FOR TEST YEAR ENDED MARCH 31, 2006 AS ADJUSTED
Revenue Requirement Adjustments per Garretson Testimony

Line No	Description (a)	Allocator (b)	Reference (c)	Total System (d)	Bailey (e)	Conifer (f)	Cripple Creek (g)	Line No
	Revenue Credits							
1	miscellaneous Acct 400-488	direct gross plant	test year actual	\$ 7,776	\$ 4,131	\$ 1,515	\$ 2,130	1
2	discounts Acct 431-001	direct gross plant	test year actual	12,892	6,849	2,512	3,531	2
3	other revenues Accts 415,417,418	total customer count	test year actual	13,068	6,846	2,769	3,453	3
4	total revenue credits to line 8, COSS - adjusted			<u>\$ 33,736</u>	<u>\$ 17,826</u>	<u>\$ 6,796</u>	<u>\$ 9,114</u>	4
5	Depreciation to line 4, COSS - adjusted	direct from original filing	dep adjustments tab	<u>\$ (208,545)</u>	<u>\$ (110,545)</u>	<u>\$ (37,921)</u>	<u>\$ (60,079)</u>	5
	Rate Base							
6	customer retainers Acct 345.1020	total customer count	year end balance	\$ (138,962)	\$ (72,801)	\$ (29,442)	\$ (36,719)	6
7	customer deposits Acct 235-000	total customer count	year end balance	(47,817)	(25,051)	(10,131)	(12,635)	7
8	total rate base adjustment to ln 16, COSS - adjusted			<u>\$ (186,779)</u>	<u>\$ (97,852)</u>	<u>\$ (39,573)</u>	<u>\$ (49,354)</u>	8

OPERATION AND MAINTENANCE EXPENSES ASSIGNED TO SERVICE AREAS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2006

Line No.	Account Number	Description	STEP 1 Recorded Amounts by Service Area			Total	STEP 2 Test Year fully allocated to service areas			Total	STEP 3 CNG Adjustments Allocated to Service Areas			Total	STEP 4 Adjuster O&M Allocated to Service Areas			Line No.
			Unassigned	Bulley	Center		Cripple Creek	Bulley	Center		Cripple Creek	Bulley	Center		Cripple Creek	Bulley	Center	
1	604	Gas Supply Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1	
2	805.1	Natural Gas City Gate Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2	
3	805.2	Gas Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3	
		Total Gas Supply Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
4		Total Transmission Operations Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4	
5		Total Transmission Maintenance Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5	
6	603	Transmission Expenses - Administration (001-803)	\$ (1,606)	\$ 644	\$ 853	\$ 787	\$ 784	\$ 794	\$ 4,362	\$ 5,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	6	
7	808	Maintenance of Meter & Reg St Equip	\$ 4,339	\$ 43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	7	
8	807	Maintenance of Other Equipment	\$ 2,648	\$ 807	\$ 853	\$ 787	\$ 787	\$ 787	\$ 5,204	\$ 5,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8	
9		Total Transmission Maintenance Expenses	\$ 6,995	\$ 850	\$ 853	\$ 787	\$ 787	\$ 787	\$ 10,566	\$ 10,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9	
10	870	Operation Supervision and Engineering	\$ (10,220)	\$ 8,278	\$ -	\$ 8,329	\$ 6,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	10	
11	871	Maintenance of Meter & Reg St Equip	\$ (25,278)	\$ 15,679	\$ 6,819	\$ 17,548	\$ 14,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	11	
12	872	Maintenance of Other Equipment	\$ (2,324)	\$ 2,523	\$ 197	\$ 853	\$ 96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	12	
13	873	Transmission Services Expenses	\$ (4,815)	\$ 2,172	\$ 560	\$ 4,668	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	13	
14	874	Meter & Regulating St. exp - city gate	\$ (6,778)	\$ 2,484	\$ 1,466	\$ 5,916	\$ 1,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	14	
15	875	Maintenance of Meter & Reg St Equip	\$ (3,872)	\$ 138	\$ -	\$ 524	\$ 1,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	15	
16	880	Customer Installation Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	16	
17	881	Rent	\$ (5,353)	\$ 31,381	\$ 5,662	\$ 43,048	\$ 30,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	17	
18		Total Distribution Operations Expenses	\$ (26,993)	\$ 52,969	\$ 13,689	\$ 69,650	\$ 72,853	\$ 6,922	\$ 30,929	\$ 30,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	18	
19	808	Maintenance Supervision & Improvements	\$ 245	\$ 2,840	\$ -	\$ 157	\$ 3,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	19	
20	809	Maintenance of Meter & Reg St Equip	\$ (3,089)	\$ 1,832	\$ 197	\$ 853	\$ 96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	20	
21	810	Maintenance of Meter & Reg St Equip - CNG	\$ (78)	\$ 141	\$ -	\$ 115	\$ 164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	21	
22	811	Maintenance of Meter & Reg St Equip - CNG	\$ (2,303)	\$ 3,009	\$ 3,848	\$ 782	\$ 2,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	22	
23	812	Maintenance of Meter & Reg St Equip - CNG	\$ (1,778)	\$ 2,172	\$ 271	\$ 182	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	23	
24	813	Maintenance of Meter & House Regulators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	24	
25	814	Maintenance of Other Equipment	\$ (15,721)	\$ 16,865	\$ 5,227	\$ 2,717	\$ 8,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	25	
26		Total Distribution Maintenance Expenses	\$ (18,271)	\$ 38,922	\$ 9,431	\$ 7,448	\$ 12,516	\$ 12,516	\$ 12,516	\$ 12,516	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	26	
27		Total Distribution Expenses	\$ (45,264)	\$ 91,891	\$ 23,120	\$ 77,069	\$ 85,369	\$ 19,438	\$ 43,445	\$ 43,445	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	27	
28	901	Customer Accounts Expenses	\$ 8,010	\$ 21,127	\$ 4,250	\$ 7,894	\$ 41,381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	28	
29	902	Supervision	\$ 99,617	\$ 18,071	\$ 5,000	\$ 2,465	\$ 126,153	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	29	
30	903	Customer Receipts and Collection Expenses	\$ 33,020	\$ 1,712	\$ -	\$ -	\$ 34,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	30	
31	904	Uncollectible Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	31	
32	905	Miscellaneous Accounts Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	32	
33		Total Customer Accounts Expenses	\$ 140,647	\$ 40,910	\$ 9,250	\$ 27,056	\$ 83,169	\$ 83,169	\$ 83,169	\$ 83,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	33	

OPERATION AND MAINTENANCE EXPENSE AS ADJUSTED AND ASSIGNED TO SERVICE AREAS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2006

Line No.	Description	STEP 1 Recorded Amounts by Service Area			STEP 2 Unassigned amounts allocated to service areas			STEP 3 CNG Adjustments Allocated to Service Areas			STEP 4 Adjusted O&M Allocated to Service Areas			Line No.
		Unassigned (1)	Balby (2)	Crippitt Creek (3)	Balby (4)	Center (5)	Crippitt Creek (6)	Balby (7)	Center (8)	Crippitt Creek (9)	Balby (10)	Center (11)	Crippitt Creek (12)	
808	Operations & Maintenance Expenses (Continued)													
809	Customer Service & Informational Expenses													
810	Inform. and Instruct. Advertising Expenses													
811	Total Customer Service & Informational Expense													
812	Sales Expenses													
813	Advertising Expenses													
814	Total Sales Expenses													
815	Total Operation & Maintenance Expenses													
816	Administrative & General Expenses													
817	Office Supplies & Expenses													
818	Admin. and Gen. Expenses transferred - credit													
819	Customer Services Employed													
820	Injuries & Damages													
821	Employee Pension and Benefits													
822	Miscellaneous General Expenses													
823	Rents													
824	Maintenance of General Plant													
825	Total Administrative and General Expenses													
826	TOTAL O&M AND AG													

Schedule 5
 Sh 1 of 1

**COLORADO NATURAL GAS, INC.
 DEPRECIATION ADJUSTMENTS ACCEPTED BY CNG**

Line No	Acct No	Description (b)	Gross Plant at March 31, 2006			Total System (f)	CNG Adjustments per Garretson Testimony			Line No			
			Bailey (c)	Conifer (d)	Cripple Creek (e)		Bailey (i)	Conifer (j)	Cripple Creek (k)		Total System (l)		
1	302	Franchise & Consents	\$ 430,343	\$ -	\$ 258,854	\$ 689,197	-	-	-	-	-	1	
2	374	Land & Rights	863,120	466,362	328,576	1,658,058	-	-	-	-	-	2	
3	375	Structures & Improvements	332,507	125,576	174,239	632,322	-	-	-	(53,201)	(27,878)	(101,172)	3
4	376	Mains	14,217,690	4,688,938	8,741,863	27,648,491	-	-	-	-	-	-	4
5	378	Meas Eqpt - Gen	175,876	34,266	52,503	262,645	-	-	-	-	-	-	5
6	379	Meas Eqpt - City	850	-	83,883	84,733	-	-	-	-	-	-	6
7	380	Services	6,929,609	3,497,108	2,630,975	13,057,692	-	-	-	-	-	-	7
8	381	Meters	1,877,340	573,115	665,059	3,115,514	-	-	-	-	-	-	8
9	383	House Regulators	96,044	5,197	33,954	135,195	-	-	-	(2,783)	(1,458)	(5,293)	9
10	387	Other Equipment	18,554	7,007	9,723	35,284	-	-	-	(16,486)	(10,790)	(28,674)	10
11	380	Structures	103,038	14,990	67,437	185,465	-	-	-	(5,148)	(2,698)	(9,790)	11
12	391	Office Equipment	68,640	25,923	35,968	130,531	-	-	-	-	-	-	12
13	392	Vehicles	321,187	121,301	168,308	610,796	-	-	-	(797)	(418)	(1,516)	13
14	393	Stores Equipment	4,783	1,806	2,506	9,095	-	-	-	(12,026)	(6,302)	(22,869)	14
15	394	Tools	120,257	45,417	63,017	228,690	-	-	-	(82)	(43)	(155)	15
16	395	Laboratory Equipment	199,437	309	428	1,554	-	-	-	(19,944)	(10,451)	(37,927)	16
17	396	Power Equipment	73,320	75,320	104,508	379,266	-	-	-	-	-	-	17
18	397	Communications Equipment	38,069	14,376	19,949	72,396	-	-	-	-	-	-	18
19	398	Misc Equipment	631,957	-	187,230	819,227	-	-	-	(79)	(41)	(150)	19
20	000	Other Tangible Property	789	298	414	25,706	-	-	-	-	-	-	20
21	000	Utility Plant In Service	13,518	5,105	7,063	400,000	-	-	-	-	-	-	21
22	Z	Utility Plant In Service-Audit adjustment	(210,340)	(79,438)	(110,222)	(400,000)	-	-	-	-	-	-	22
Total			\$ 26,234,124	\$ 9,622,978	\$ 13,526,255	\$ 49,383,358	\$ (110,545)	\$ (37,921)	\$ (60,079)	\$ (208,545)			23

COLORADO NATURAL GAS, INC
COST OF CAPITAL AT MARCH 31, 2006 ADJUSTED FOR DEBT COST AT 6/29/06

Line No.	Description (a)	Amount (2) (b)	Capital Ratio (c)	Cost of Capital (d)	Weighted Cost of Capital (c) * (d) (e)	Line No.
1	Long Term Debt	\$ 30,532,281 (1)	60.00%	6.77% (1)	4.06%	1
2	Common Equity	14,301,688 (2)	40.00%	12.00%	4.80%	2
3					8.86%	3
4	Total	\$ 44,833,969	100.00%		to Sch 1 In 20	4
5	Income tax effect: .588711 * Weighted average cost of common equity (note 3)				2.83%	5
6	Pretax return on rate base				11.69%	6

0.588711

Notes: (1) as filed
(2) Amounts from audited financial statements March 31, 2006
(3) Colorado state income tax rate at 4.63%; Federal income tax rate at 34.00%

Common equity	\$ 14,147,781
Common stock issued	(1,289,268)
Capital stock expense	989,292
Retained earnings	453,883
Net income for FY 2006	<u>\$ 14,301,688</u>
total Common equity from post audit trial balance	
March 31, 2005 account balance	\$ 13,847,809
net income for FY 2006 per trial balance	453,879
March 31, 2006 account balance	<u>\$ 14,301,688</u>

Schedule 6
 Sh 2 of 2

COLORADO NATURAL GAS, INC
COST OF CAPITAL AT MARCH 31, 2006 ADJUSTED FOR DEBT COST AT 6/29/06

Line No.	Description (a)	Amount (2) (b)	Capital Ratio (c)	Cost of Capital (d)	Weighted Cost of Capital (c) * (d) (e)	Line No.
1	Long Term Debt	\$ 30,532,281 (1)	68.10%	6.77% (1)	4.61%	1
2	Common Equity	14,301,688 (2)	31.90%	15.00%	4.78%	2
3						3
4	Total	<u>\$ 44,833,969</u>	<u>100.00%</u>		<u>9.40%</u>	4
					to Sch 1 in 15	
5	Income tax effect: .588711 * Weighted average cost of common equity (note 3)				<u>2.82%</u>	5
6	Pretax return on rate base				<u>12.21%</u>	6

0.588711

Notes: (1) as filed
 (2) Amounts from audited financial statements March 31, 2006
 (3) Colorado state income tax rate at 4.63%; Federal income tax rate at 34.00%

Common equity	
Common stock issued	\$ 14,147,781
Capital stock expense	(1,289,268)
Retained earnings	989,292
Net income for FY 2006	453,883
	<u>\$ 14,301,688</u>
total Common equity from post audit trial balance	
March 31, 2005 account balance	\$ 13,847,809
net income for FY 2006 per trial balance	453,879
March 31, 2006 account balance	<u>\$ 14,301,688</u>

Schedule 7
Sh 1 of 1

**Colorado Natural Gas, Inc.
Intracompany Allocation Factors**

Line No	Particulars (a)	Total (b)	Bailey (c)	Conifer (d)	Cripple Creek (e)	Line No
Total Gross Plant						
1	amount	\$ 49,383,357	\$ 26,234,124	\$ 9,622,978	\$ 13,526,255	1
2	percentage	1.0000	0.5312	0.1949	0.2739	2
Direct Gross Plant (accts 376 thru 383)						
3	amount	\$ 44,304,270	\$ 23,297,409	\$ 8,798,624	\$ 12,208,237	3
4	percentage	1.0000	0.5259	0.1986	0.2756	4
Average Customer Count test period - total						
5	amount	6,536	3,836	1,008	1,692	5
6	percentage	1.0000	0.5869	0.1542	0.2589	6
Average Sales Customer Count test period - residential						
7	amount	6,303	3,716	1,008	1,579	7
8	percentage	0.8769	0.5170	0.1402	0.2197	8
Customer Count at March 31, 2006- total						
9	amount	7,429	3,892	1,574	1,963	9
10	percentage	1.0000	0.5239	0.2119	0.2642	10
Sales Customer Count at March 31, 2006 - residential						
11	amount	7,188	3,770	1,573	1,845	11
12	percentage	1.0000	0.5245	0.2188	0.2567	12
Weather Adjusted Sales Volumes						
15	amount	751,492	402,568	133,642	215,282	15
16	percentage	1.0000	0.5357	0.1778	0.2865	16

**COLORADO NATURAL GAS, INC.
GROSS PLANT AT MARCH 31, 2006**

Line No	Acct No	Description (b)	Bailey (c)	Conifer (d)	Cripple Creek (e)	Total System (f)	Line No
1	302	Franchise & Consents	\$ 430,343	\$ -	\$ 258,854	\$ 689,197	1
2	374	Land & Rights	863,120	466,362	328,576	1,658,058	2
3	375	Structures & Improvements	332,507	125,576	174,239	632,322	3
4	376	Mains	14,217,690	4,688,938	8,741,863	27,648,491	4
5	378	Meas Eqpt - Gen	175,876	34,266	52,503	262,645	5
6	379	Meas Eqpt - City	850	-	83,883	84,733	6
7	380	Services	6,929,609	3,497,108	2,630,975	13,057,692	7
8	381	Meters	1,877,340	573,115	665,059	3,115,514	8
9	383	House Regulators	96,044	5,197	33,954	135,195	9
10	387	Other Equipment	18,554	7,007	9,723	35,284	10
11	390	Structures	103,038	14,990	67,437	185,465	11
12	391	Office Equipment	68,640	25,923	35,968	130,531	12
13	392	Vehicles	321,187	121,301	168,308	610,796	13
14	393	Stores Equipment	4,783	1,806	2,506	9,095	14
15	394	Tools	120,257	45,417	63,017	228,690	15
16	395	Laboratory Equipment	817	309	428	1,554	16
17	396	Power Equipment	199,437	75,320	104,508	379,266	17
18	397	Communications Equipment	38,069	14,378	19,949	72,396	18
19	398	Misc Equipment	631,997	-	187,230	819,227	19
20	399	Other Tangible Property	789	298	414	1,501	20
21	000	Utility Plant In Service	13,518	5,105	7,083	25,706	21
22	Z	Utility Plant In Service-Audit adjustment	(210,340)	(79,438)	(110,222)	(400,000)	22
23		Total	\$ 26,234,124	\$ 9,622,978	\$ 13,526,255	\$ 49,383,358	23

COLORADO NATURAL GAS, INC
ACCUMULATED RESERVE FOR DEPRECIATION
AT MARCH 31, 2006

Line No	Acct No	Description	Bailey (c)	Conifer (d)	Cripple Creek (e)	Total System (f)	Line No
1	302	Franchise & Consents	\$ 121,073	\$ -	\$ 99,528	\$ 220,601	1
2	374	Land & Rights	-	-	-	-	2
3	375	Structures & Improvements	76,096	28,739	39,875	144,710	3
4	376	Mains	1,431,579	93,505	1,104,804	2,629,888	4
5	378	Meas Eqpt - Gen	18,754	814	4,500	24,068	5
6	379	Meas Eqpt - City	5	-	14,665	14,670	6
7	380	Services	456,033	51,743	117,864	625,640	7
8	381	Meters	124,750	7,332	55,040	187,122	8
9	383	House Regulators	10,289	42	4,912	15,243	9
10	387	Other Equipment	8,052	3,041	4,219	15,312	10
11	390	Structures	27,738	2,243	5,303	35,284	11
12	391	Office Equipment	37,332	14,099	19,563	70,994	12
13	392	Vehicles	141,130	53,300	73,954	268,384	13
14	393	Stores Equipment	4,783	1,806	2,506	9,095	14
15	394	Tools	33,386	12,609	17,495	63,490	15
16	395	Laboratory Equipment	817	309	428	1,554	16
17	396	Power Equipment	122,820	46,385	64,360	233,565	17
18	397	Communications Equipment	31,081	11,738	16,287	59,107	18
19	398	Misc Equipment	61,316	-	29,438	90,754	19
20	399	Other Tangible Property	762	288	400	1,450	20
21	000	Utility Plant In Service	3,467	1,310	1,817	6,594	21
22	Z	Utility Plant In Service-Audit adjustment	(49,397)	(18,656)	(25,885)	(93,938)	22
23		Total	\$ 2,661,867	\$ 310,646	\$ 1,651,074	\$ 4,623,587	23

**COLORADO NATURAL GAS, INC.
GROSS PLANT AND DEPRECIATION PER SERVICE AREA AT MARCH 31, 2006**

Line No	Acct (a)	Description (b)	Gross Plant st March 31, 2006			Life (g)	Depreciation per Service Area			Total System (k)
			Bailey (c)	Conifer (d)	Cripple Creek (e)		Bailey (h)	Conifer (i)	Cripple Creek (j)	
1	302	Franchise & Consents	\$	\$	\$	15	28,690	-	17,257	45,946
2	374	Land & Rights - assigned	511,362	333,515	144,249		-	-	-	-
3		Land & Rights - unassigned allocated	351,758	132,847	184,327		-	-	-	-
4	375	Structures & Improvements	332,507	125,576	174,239	5	66,501	25,115	34,848	126,464
5	376	Mains	14,217,690	4,688,938	8,741,863	33	430,839	142,089	264,905	837,833
6	378	Meas Eqpt - Gen	175,876	34,266	52,503	33	5,330	1,038	1,591	7,959
7	379	Meas Eqpt - City	860		84,733	33	26	-	2,542	2,568
8	380	Services	6,929,609	3,497,108	2,630,975	33	209,988	105,973	79,727	395,688
9	381	Meters	1,877,340	573,115	665,059	33	56,889	17,367	20,153	94,410
10	383	House Regulators	96,044	5,197	33,954	33	2,910	157	1,029	4,097
11	387	Other Equipment	18,554	7,007	9,723	5	3,711	1,401	1,945	7,057
12	390	Structures	103,038	14,990	67,437	5	20,608	2,998	13,487	37,093
13	391	Office Equipment	68,640	25,923	35,968	8	8,580	3,240	4,496	16,316
14	392	Vehicles	321,187	121,301	168,308	5	64,237	24,260	33,662	122,159
15	393	Stores Equipment	4,783	1,806	2,506	5	957	361	501	1,819
16	394	Tools	120,257	45,417	63,017	5	24,051	9,083	12,603	45,738
17	395	Laboratory Equipment	817	309	428	5	163	62	66	311
18	396	Power Equipment	199,437	75,320	104,508	5	39,887	15,064	20,902	75,853
19	397	Communications Equipment	38,069	14,378	19,849	5	7,614	2,876	3,990	14,479
20	398	Misc Equipment	631,997	-	187,230	33	19,151	-	5,674	24,825
21	399	Other Tangible Property	789	298	414	5	158	-	83	300
22	000	Utility Plant In Service	13,518	5,105	7,083	33	410	155	215	779
23	Z	Utility Plant In Service-Audit adjustment	(210,340)	(79,438)	(110,222)	33	(6,374)	(2,407)	(3,340)	(12,121)
24		Total	\$ 26,234,124	\$ 9,622,978	\$ 13,526,255		\$ 984,326	\$ 348,893	\$ 516,353	\$ 1,849,573

COLORADO NATURAL GAS, INC
WEATHER NORMALIZED TEST PERIOD SALES REVENUE AT PROPOSED RATES
TEST YEAR ENDED MARCH 31, 2006 AS ADJUSTED FOR CURRENT CUSTOMER COUNT

Line No	Service Area (a)	Distribution Rate Revenue		Service & Facility Charge Revenue		Total Revenue (h)	Line No	
		Annual Volume - Dt (b)	Distribution Rate (c)	Revenue (d)	April 2006 Customer Count (e)			Monthly S&F Charge (f)
1	Bailey Residential	333,460	\$ 7.408	\$ 2,470,382	3,716	\$ 12.50	\$ 557,400	1
2	Bailey Commercial	65,884	\$ 7.408	488,090	120	25.00	\$ 36,000	2
3	Conifer Residential	99,951	9.723	971,854	1,008	12.50	\$ 151,200	3
4	Conifer Commercial		9.723		-	25.00	\$ -	4
5	Cripple Creek Residential	129,975	7.325	952,117	1,579	12.50	\$ 236,850	5
6	Cripple Creek Commercial	69,109	7.325	506,250	113	25.00	\$ 33,900	6
7	Totals	698,379		\$ 5,388,693	6,536		\$ 1,015,350	7
							Transportation	
							Total rev. req	
							186,318	
							<u>\$ 6,590,362</u>	
							15.85%	

1/16/2007

Test year revenues - 1

SA Attachment A revised 1-12-07.xls

COLORADO NATURAL GAS, INC
WEATHER NORMALIZED TEST PERIOD SALES REVENUE AT PROPOSED RATES - NORTHERN SYSTEM CONSOLIDATED

Line No	Service Area (a)	Distribution Rate Revenue		Service & Facility Charge Revenue		Total Revenue (h)	Line No
		Annual Volume - Dt (b)	Distribution Rate (c)	Average Customer Count (e)	Monthly S&F Charge (f)		
1	Residential	333,460	\$ 7.872	3,716	\$ 12.50	\$ 3,182,315	1
2	Commercial	65,884	7.872	120	25.00	554,623	2
Conifer							
3	Residential	99,951	7.872	1,008	\$ 12.50	937,990	3
4	Commercial		7.872		25.00	-	4
Cripple Creek							
5	Residential	129,975	7.325	1,579	\$ 12.50	1,188,967	5
6	Commercial	69,109	7.325	113	25.00	540,150	6
7	Totals	698,379		6,536		\$ 6,404,043	7
						186,318	
						\$ 6,590,362	
						Transportation Total rev. req	
						\$ 1,015,350	
							15.85%

STIPULATION ATTACHMENT B

Colorado Natural Gas, Inc.
Settlement Issue Revenue Requirement Impact
Docket No. 06S-394G
Amounts in \$000

S&A Attachment B

	<u>Issue Impact</u>	<u>Cumulative Revenue Requirement</u>
Original Filing		<u>\$ 8,123</u>
Settlement Issues:		
Rate Base: Net Plant	\$ (9,606)	
Deferred Tax Liability	156	
Customer deposits	(94)	
Regulatory asset (1)	159	
	<u>\$ (9,384)</u>	
Expenses: Rate case expense true-up	\$ 33	\$ 8,156
Depreciation	(209)	7,947
Income taxes - rate base and ROE changes	(261)	7,686
Revenue credits	(34)	7,652
Return on rate base	(1,062)	6,590
	<u>\$ (1,533)</u>	<u>\$ 6,590</u>
Final Settled Revenue Requirement		<u>\$ 6,590</u>

Notes: (1) The regulatory asset is shown to reflect the effect of beginning of year rate base. The balance was transferred to UPIS during the test year and consequently imbedded in UPIS as reflected in the year-end rate base used to calculate average rate base.

Colorado Natural Gas, Inc.
Settlement Issue Revenue Requirement Impact
CPUC Docket No 06S-394G
Amounts in \$000

<u>Particulars</u>	<u>Settled</u>	<u>CNG Filed</u>	<u>Difference</u>
(a)	(b)	(c)	(d)
<u>Annual Cost of Service</u>			
Operation and Maintenance Expense	\$ 790	\$ 790	\$ -
add: Rate case expense true-up	33		33
Depreciation	1,641	1,850	(209)
Amortization	-		-
Income taxes	956	1,217	(261)
Taxes other than income taxes	206	206	-
Revenue credits	(34)	-	(34)
Return on rate base	2,998	4,060	(1,062)
Total	<u>\$ 6,590</u>	<u>\$ 8,123</u>	<u>\$ (1,533)</u>
<u>Rate Base</u>			
Utility Plant in Service	\$ 39,186	\$ 49,383	\$ (10,197)
Less: Reserve for Depreciation	(4,032)	(4,623)	591
Net Plant year end	<u>\$ 35,154</u>	<u>\$ 44,760</u>	<u>\$ (9,606)</u>
Customer deposits	(94)	-	(94)
Regulatory assets (note 1)	159	-	159
Deferred Tax Liability	(1,391)	(1,547)	156
Total	<u>\$ 33,829</u>	<u>\$ 43,213</u>	<u>\$ (9,384)</u>
Return on Rate Base	<u>\$ 2,998</u>	<u>\$ 4,060</u>	<u>\$ (1,062)</u>
Required Rates			
Total Revenue Requirement	\$ 6,590		
Less: Service and Facility charges	(1,015)		
contract transportation revenue	(186)		
Amount to recover from Distribution charge	<u>\$ 5,389</u>		
Required Distribution charge per therm			
Northern System	<u>\$ 0.7872</u>		
Cripple Creek	<u>\$ 0.7325</u>		
Weather normalized volume for test year (Dt)			
residential	563,386		
commercial	134,993		
total annual sales volume	<u>698,379</u>		

Notes:

- (1) The regulatory asset contained in the beginning of year rate base was subsequently transferred to UPIS but is shown here as a separate line item for beginning of year rate base used for average rate base calculations in the settlement.

Colorado Natural Gas, Inc.
Settlement Issue Revenue Requirement Impact
Docket No. 06S-394G
Rate Base Detail
Amounts in \$000

Particulars (a)	as filed (b)	year end filed as adjusted (c)	Beginning of year (d)	settled average (1) (e)	difference between as filed & settled (f)
Gross Plant	\$ 49,383	\$ 49,383	\$ 28,990	\$ 39,186	\$ (10,197)
Reserve for depreciation	(4,623)	(4,623)	(3,441)	(4,032)	591
Net Plant	<u>\$ 44,760</u>	<u>\$ 44,760</u>	<u>\$ 25,548</u>	<u>\$ 35,154</u>	<u>\$ (9,606)</u>
Deferred Tax Liability	(1,547)	(1,547)	(1,235)	(1,391)	156
Regulatory assets	-		318	159	159
Customer deposits	-	(187)		(94)	(94)
total	<u><u>\$ 43,213</u></u>	<u><u>\$ 43,026</u></u>	<u><u>\$ 24,631</u></u>	<u><u>\$ 33,829</u></u>	<u><u>\$ (9,384)</u></u>

Notes: (1) The average rate base is year-end filed as adjusted and beginning of year as reflected in the settlement in Docket No. 05S-412G.

Colorado Natural Gas, Inc.
Settlement Issue Revenue Requirement Impact
Docket No. 06S-394G
Beginning of Test Year Rate Base Detail
Amounts in \$000

Particulars	Bailey	Conifer	Cripple Creek	Total
(a)	(b)	(c)	(d)	(e)
Utility Plant in Service - year-end	\$ 16,030	\$ 2,489	\$ 10,471	\$ 28,990
Less: Reserve for Depreciation - year-end	(2,044)	(105)	(1,292)	(3,441)
Net Plant year end	13,985	2,384	9,179	25,548
Regulatory Assets - one-half start-up	181	25	111	318
Working Capital	-	-	-	-
Deferred Tax Liability	(706)	(98)	(431)	(1,235)
Total	\$ 13,461	\$ 2,312	\$ 8,859	\$ 24,631

**STIPULATION ATTACHMENT C
(SUBSTITUTED)**

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Cancels Second Amended Sheet No. 3
First Amended Sheet No. 3

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Advice Letter
 Number _____ Issue Date _____

Decision
 Number _____ Vice President
 Tim Johnston, P.E. Effective
 Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Third Amended _____ Sheet No. 4
 Cancels Second Amended _____ Sheet No. 4

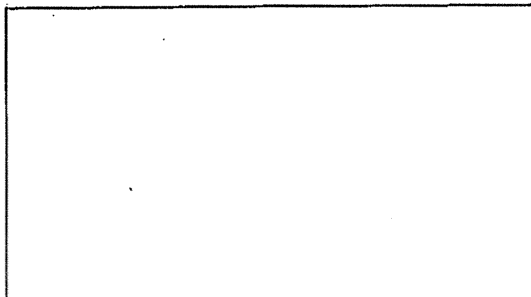
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D
N

Key to Symbols of Revised Tariff Sheets

- I - Indicates an increase
- R - Indicates a reduction
- T - Indicates a change in text but no change in rate
- N - Indicates new rate or regulation
- C - Indicates changed regulation
- S - Indicates reissued matter (from another sheet)
- D - Indicates discontinued rate or regulation
- A - Indicates adjustment for roll-in of portions of the GCA
- Sub - Indicates substitute



Advice Letter
 Number _____ Issue Date _____

Decision Number _____
 Vice President
 Tim Johnston, P.E.
 Effective Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Cancels Second Amended Sheet No. 5
First Amended Sheet No. 5

TERRITORY SERVED

Natural Gas Service is supplied in the following territory and in the cities, towns, and communities which are contained within this territory. For rates available see the applicable rate schedules.

BAILEY DIVISION

<u>Township</u>	<u>Range</u>	<u>Sections</u>
6 South	73 West	S 1/2 of 22, N 1/2 of 26, all of 23,24,25,35,36
6 South	72 West	S 1/2 of 19,20, all of 1,25,26,27,28,29,30,31,32, 33,34,35,36
6 South	71 West	S ¼ of 4,33,34,35, SE ¼ of 32, all of 5,6,7,8,9,15,16,17,18,19,25,30,31,36, and portions of the N ½ of Sections 20 and 21 north of the following line:

Beginning at the east ¼ corner of Section 21, thence west along the ½ section line a distance of approximately 2400 feet to the intersection point of the ½ section line and the centerline of Conifer Mountain Drive, thence south and west along said centerline of Conifer Mountain Drive approximately 500 feet to a point defined as the intersection of said centerline of Conifer Mountain Drive and a line extending into the road from the property line between Lot 24 and Lot 25 of Conifer Mountain Unit 6, thence N53°02'14"W 634.15 feet, thence N0°24'31"W 528.45 feet, thence N27°21'00"E 326.5 feet, thence N67°51'52"W 636.94 feet, thence N55°31'49"W 587.11 feet, thence S54°09'13"W 283 feet, thence N39°13'14"W 25 feet, thence S49°30'29"W 428.46 feet, thence S57°41'42"W 363.87 feet to the centerline of Timothy's Drive, thence approximately 400 feet north along said centerline of Timothy's Drive to the intersection with the centerline of Bea's Drive, thence northwest approximately 245 feet along the centerline of Bea's Drive to a point defined as the intersection of said centerline of Bea's Drive and a line extending into the road from the property line between Lot 30 and Lot 31 of Conifer Mountain Unit 5, thence S37°09'00"W 455.45 feet, thence S50°02'33"E 91.35 feet, thence S62°51'01"W 438.29 feet, thence N38°29'07"W 700.72 feet, thence S49°17'21"W 335 feet, thence N43°21'48"W 247.59 feet, thence S57°46'50"W 548.07 feet to the centerline of Conifer Mountain Road, thence northwest along said centerline of Conifer Mountain Road approximately 175 feet to a point defined as the intersection of said centerline of Conifer Mountain Road and a line extending into the road from the property line between Lot 6 and Lot 7 of Conifer Mountain Unit 8, thence S86°59'12"W 473.65 feet, thence S53°38'48"W 139.54 feet, thence S22°57'26"E 116.76 feet, thence N77°15'24"W 454.36 feet, thence N49°35'22"W 333.09 feet to a point along the west line of Section 20.

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Advice Letter _____ Issue Date _____
 Number _____

Decision Number _____
 Vice President
 Tim Johnston, P.E.
 Effective Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Cancels First Amended Sheet No. 5A
Original Sheet No. 5A

TERRITORY SERVED

Natural Gas Service is supplied in the following territory and in the cities, towns, and communities which are contained within this territory. For rates available see the applicable rate schedules.

BAILEY DIVISION - CONT'D

<u>Township</u>	<u>Range</u>	<u>Sections</u>	
7 South	73 West	All of 21,22,25,26,27	T
7 South	72 West	All of 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16, 17,20,21,22,23,24,25,26,27,28,29,30	S
5 South	70 West	S1/2 29, S1/2, NE1/4 28, all of 27,32,33,34	S
6 South	70 West	N 1/4 and SE 1/4 of 5, all of 3,4,30,31	S
7 South	70 West	All of 6	S
5 South	71 West	SW 1/4 of 29, w 1/4 of 32, all of 30,31	S
7 South	71 West	E 1/4 of 5, all of 1,2,3,4	S
2 South	72 West	All of 19,20,29,30,31,32	S
5 South	72 West	All of 25,36	S
2 South	73 West	All of 25,36	S

This territory includes the following communities:

Mountain View Lakes, Elk Falls Ranch, Woodside, Highland Pines, Chilton Manor, Pine Junction, Chilton's Subdivision, Jim's Subdivision, Linn's Subdivision, Wandcrest Park, McKinley Subdivision, Jim Holt Subdivision, Will O Wisp, Roland Valley, Burland Ranchettes, Park 80 West, Burland Meadows, Trails West, Bailey Mountain, Double S Ranchettes, Arcadia, Ravenswood Subdivision, Hill and Dale Subdivision, Mill Iron D, Friendship Ranch, Deer Creek Valley Ranchos, Deer Creek Estates, Elk Horn Acres, Dream Lake Heights, Bakers Acres, KZ Ranch Estates, Highland Park, Royal Ranch, Charmatella Park, Elk Creek, Harris Park, Double C Acres, Horseshoe Park, Bailey Estates, Parkview Subdivision, Bailey View Subdivision, Bailey, Glen-Isle, Brookside Subdivision, Fitzsimmons Subdivision, Shawnee, Homestead, Golden Meadows, The Bluffs, Halm, Aspen Springs, Forest Hills, Chalet Park, Lakeside, Bun Gun Zing Wak, Colorado Sierra and Missouri Lakes subdivisions, Conifer Mountain, Evergreen Meadows, Conifer Meadows, Black Mountain Estates, Brook Forest, Evergreen Hills, Buffalo Park, Piano Meadows, Rampart Highlands, Shiloh, Wamblee Valley, Glen Elk and Alpine Hills subdivisions.

Advice Letter
 Number _____ Issue Date _____

Decision
 Number _____ Vice President
 Tim Johnston, P.E. Effective
 Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Cancels First Amended Sheet No. 5B
Original Sheet No. 5B

TERRITORY SERVED

Natural Gas Service is supplied in the following territory and in the cities, towns, and communities which are contained within this territory. For rates available see the applicable rate schedules.

CRIPPLE CREEK DIVISION

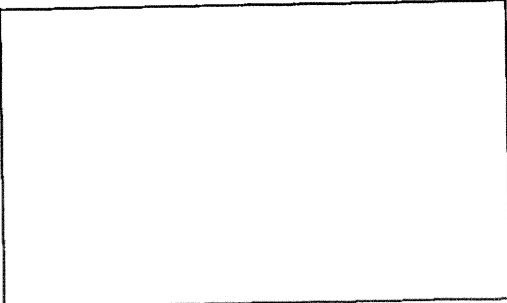
<u>Township</u>	<u>Range</u>	<u>Sections</u>	
14 South	70 West	All of 1, 12, 13, 22, 23, 24, 25, 26, 27, 28, 34, 35, 36	S
14 South	69 West	All of 6, 7, 18, 19, 30	S
15 South	70 West	All of 1, 2, 3, 11, 12, 13, 14, 23, 24, 25, 36	S
15 South	69 West	All of 18, 19, 20, 28, 29, 30, 31, 32	S
13 South	70 West	N1/2 of 14, SW1/4 of 12, all of 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 15, 16, 17	S
13 South	71 West	All of 1, 12	S
12 South	70 West	All of 26, 27, 28, 33, 34, 35	S
12 South	69 West	All of 17, 18, 19, 20, 21	S

This territory includes the following communities:

Cripple Creek *, Victor *, Midland, Cripple Creek Mountain Estates, Sherwood Forest Estates, Whispering Pines, Trout Haven, Arabian Acres, Palmer Village, Twin Rock, Mountain View, Druid Hills, Crystal Peaks Estates, Florissant Estates, the Town of Florissant, Tranquil Acres, Shadow Lake Estates, Spring Valley, Aspen Moors, Skycrest, Aspen Village, Broken Wheel Village, and Highland Lakes

Incorporated cities and towns are designated by a *

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Advice Letter _____ Issue Date _____
 Number _____
 Vice President
 Tim Johnston, P.E.
 Decision _____ Effective _____
 Number _____ Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Second Amended Sheet No. 6
 Cancels First Amended Sheet No. 6

TERRITORY SERVED

Natural Gas Service is supplied in the following territory and in the cities, towns, and communities which are contained within this territory. For rates available see the applicable rate schedules.

COLORADO CITY & RYE DIVISION

<u>Township</u>	<u>Range</u>	<u>Sections</u>
24 South	66 West	All of 17,18,19,20,29,30
24 South	67 West	All of 13,14,15,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36
24 South	68 West	All of 35,36
25 South	67 West	All of 2,3,4,5,6
25 South	68 West	All of 1

This territory includes the following communities:

Colorado City, Graneros and Green Meadows Park subdivisions, and the incorporated Town of Rye, Colorado.

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Advice Letter
 Number _____ Issue Date _____

Decision
 Number _____ Vice President
 Tim Johnston, P.E. Effective
 Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Fifth Amended Sheet No. 7
 Cancels Fourth Amended Sheet No. 7

NATURAL GAS RATES RATE SCHEDULE SUMMATION SHEET BAILEY DIVISION				
<u>Rate Schedule</u>	<u>Sheet No.</u>	<u>Type of Charge</u>	<u>Billing Units</u>	<u>Base Rate</u>
RG-B	12-13	Service and Facility	---	\$12.50
		Distribution Charge	Therms	\$0.7872
		Commodity Charge	Therms	Sheet No. 75
		Upstream Pipeline Charge	Therms	Sheet No. 75
CG-B	16-17	Service and Facility	---	\$25.00
		Distribution Charge	Therms	\$0.7872
		Commodity Charge	Therms	Sheet No. 75
		Upstream Pipeline Charge	Therms	Sheet No. 75

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Advice Letter
 Number _____ Issue Date _____

Decision
 Number _____ Vice President
 Tim Johnston, P.E. Effective
 Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Cancels Fifth Amended Sheet No. 8
Fourth Amended Sheet No. 8

NATURAL GAS RATES RATE SCHEDULE SUMMATION SHEET BAILEY DIVISION Cont'd					
Rate Schedule	Sheet No.	Type of Charge	Billing Units	Base Rate	
TF-B	20-21	Service and Facility	---	\$150.00	
TF-B	24-32	Reservation Charge	Dekatherms	\$29.00	
		Transportation Distribution:			
		Standard	Dekatherms	\$7.872	I
		Minimum	Dekatherms	\$0.50	
		Authorized Overrun	Dekatherms	\$7.872	I
		Unauthorized Overrun			
		Transportation Commodity:			
		Standard	Dekatherms	\$25.00	
		Minimum	Dekatherms	\$7.872	
		Firm Supply Reservation	Dekatherms	Sheet No. 75	I T
		Backup Supply			
		Distribution Charge	Dekatherms	\$7.872	
		Commodity Charge	Dekatherms	Sheet No. 75	
		Upstream Pipeline Charge	Dekatherms	Sheet No. 75	I
		Authorized Overrun			
		Distribution Charge	Dekatherms	\$7.872	
		Commodity Charge	Dekatherms	Sheet No. 75	I
		Upstream Pipeline Charge	Dekatherms	Sheet No. 75	
		Unauthorized Overrun			
		Sales Commodity:			
		Standard	Dekatherms	\$25.00	
		Minimum			
		Distribution Charge	Dekatherms	\$7.872	
		Commodity Charge	Dekatherms	Sheet No. 75	I
		Upstream Pipeline Charge	Dekatherms	Sheet No. 75	

Advice Letter Number _____ Issue Date _____
 Decision Number _____ Vice President Tim Johnston, P.E. Effective Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Fifth Amended Sheet No. 9
 Cancels Fourth Amended Sheet No. 9

NATURAL GAS RATES RATE SCHEDULE SUMMATION SHEET BAILEY DIVISION Cont'd				
Rate Schedule	Sheet No.	Type of Charge	Billing Units	Base Rate
TI-B	40-41	Service and Facility	---	\$300.00
TI-B	44-49	Transportation Commodity:		
		Standard	Dekatherms	\$7.872
		Minimum	Dekatherms	\$0.50
		Authorized Overrun	Dekatherms	\$7.872
		Unauthorized Overrun		
		Transportation Commodity:		
		Standard	Dekatherms	\$25.00
		Minimum	Dekatherms	\$7.872
		On Peak Demand	Dekatherms	Sheet No. 75
		Backup Supply		
		Distribution Charge	Dekatherms	\$7.872
		Commodity Charge	Dekatherms	Sheet No. 75
		Upstream Pipeline Charge	Dekatherms	Sheet No. 75
		Unauthorized Overrun		
		Sales Commodity:		
		Standard	Dekatherms	\$25.00
		Minimum		
		Distribution Charge	Dekatherms	\$7.872
		Commodity Charge	Dekatherms	Sheet No. 75
		Upstream Pipeline Charge	Dekatherms	Sheet No. 75

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Advice Letter Number _____ Issue Date _____
 Vice President
 Tim Johnston, P.E.
 Decision Number _____ Effective Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Eleventh Amended Sheet No. 9A
 Cancels Tenth Amended Sheet No. 9A

NATURAL GAS BILLING FORMAT
 SUMMARY SHEET
 BAILEY DIVISION

Customers within the Company's Bailey Division will receive monthly bills which reflect the following format:

Residential Customers:			
<u>Type of Charge</u>	<u>Billing Units</u>	<u>Base Rate</u>	
Service and Facility Charge		\$12.50	I
Distribution Charge	Therms	\$0.7872	I
Commodity Charge	Therms	Sheet No. 75	
Upstream Pipeline Charge	Therms	Sheet No. 75	
Commercial Customers:			
<u>Type of Charge</u>	<u>Billing Units</u>	<u>Base Rate</u>	
Service and Facility Charge		\$25.00	I
Distribution Charge	Therms	\$0.7872	I
Commodity Charge	Therms	Sheet No. 75	
Upstream Pipeline Charge	Therms	Sheet No. 75	
Transportation Backup Fuel Supply and Unauthorized Oerrun Sales Minimum:			
<u>Type of Charge</u>	<u>Billing Units</u>	<u>Base Rate</u>	
Distribution Charge	Therms	\$0.7872	I
Commodity Charge	Therms	Sheet No. 75	
Upstream Pipeline Charge	Therms	Sheet No. 75	
Unauthorized Oerrun Sales Standard	Therms	\$25.00	

The Commodity Charge and Upstream Pipeline Charge will change from time to time based on the Company's Gas Cost Adjustment Filings.

Advice Letter _____ Issue Date _____
 Number _____
 Decision _____
 Number _____

Vice President
 Tim Johnston, P.E.

Effective
 Date _____

COLORADO NATURAL GAS, INC.
PO Box 270868
Littleton, CO 80127

CO PUC No. 1

First Amended Sheet No. 9B -E
Cancels Original Sheet No. 9B -E

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Advice Letter Number _____ Issue Date _____
Decision Number _____ Vice President Tim Johnston, P.E. Effective Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Fifth Amended Sheet No. 10
 Cancels Fourth Amended Sheet No. 10

NATURAL GAS RATES RATE SCHEDULE SUMMATION SHEET CRIPPLE CREEK DIVISION					
<u>Rate Schedule</u>	<u>Sheet No.</u>	<u>Type of Charge</u>	<u>Billing Units</u>	<u>Base Rate</u>	
RG-C	14-15	Service and Facility	---	\$12.50	I I
		Distribution Charge	Therms	\$0.7325	
		Commodity Charge	Therms	Sheet No. 75	
		Upstream Pipeline Charge	Therms	Sheet No. 75	
CG-C	18-19	Service and Facility	---	\$25.00	I I
		Distribution Charge	Therms	\$0.7325	
		Commodity Charge	Therms	Sheet No. 75	
		Upstream Pipeline Charge	Therms	Sheet No. 75	

Advice Letter Number _____ Issue Date _____

Decision Number _____ Vice President
 Tim Johnston, P.E. Effective Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Fifth Amended Sheet No. 11
 Cancels Fourth Amended Sheet No. 11

NATURAL GAS RATES RATE SCHEDULE SUMMATION SHEET CRIPPLE CREEK DIVISION - Cont'd					
Rate <u>Schedule</u>	Sheet <u>No.</u>	Type of <u>Charge</u>	Billing <u>Units</u>	Base <u>Rate</u>	
TF-C	22-23	Service and Facility	---	\$150.00	
TF	24-32	Reservation Charge	Dekatherms	\$29.00	
		Transportation Commodity:			
		Standard	Dekatherms	\$7.325	I
		Minimum	Dekatherms	\$0.50	
		Authorized Overrun	Dekatherms	\$7.325	I
		Unauthorized Overrun			
		Transportation Commodity:			
		Standard	Dekatherms	\$25.00	I
		Minimum	Dekatherms	\$7.325	
		Firm Supply Reservation	Dekatherms	Sheet No. 75	T
		Backup Supply			
		Distribution Charge	Dekatherms	\$7.325	I
		Commodity Charge	Dekatherms	Sheet No. 75	
		Upstream Pipeline Charge	Dekatherms	Sheet No. 75	
		Authorized Overrun			
		Distribution Charge	Dekatherms	\$7.325	I
		Commodity Charge	Dekatherms	Sheet No. 75	
		Upstream Pipeline Charge	Dekatherms	Sheet No. 75	
		Unauthorized Overrun			
		Sales Commodity:			
		Standard	Dekatherms	\$25.00	
		Minimum			
		Distribution Charge	Dekatherms	\$7.325	I
		Commodity Charge	Dekatherms	Sheet No. 75	
		Upstream Pipeline Charge	Dekatherms	Sheet No. 75	

Advice Letter Number _____ Issue Date _____
 Vice President
 Tim Johnston, P.E.
 Decision Number _____ Effective Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Fifth Amended Sheet No. 12
 Cancels Fourth Amended Sheet No. 12

NATURAL GAS RATES RATE SCHEDULE SUMMATION SHEET CRIPPLE CREEK DIVISION - Cont'd					
Rate Schedule	Sheet No.	Type of Charge	Billing Units	Base Rate	
TI-C	42-43	Service and Facility	---	\$300.00	
TI	44-49	Transportation Commodity:			
		Standard	Dekatherms	\$7.325	I
		Minimum	Dekatherms	\$0.50	
		Authorized Overrun	Dekatherms	\$7.325	I
		Unauthorized Overrun			
		Transportation Commodity:			
		Standard	Dekatherms	\$25.00	I
		Minimum	Dekatherms	\$7.325	
		On Peak Demand	Dekatherms	Sheet No. 75	T
		Backup Supply			
		Distribution Charge	Dekatherms	\$7.325	I
		Commodity Charge	Dekatherms	Sheet No. 75	
		Upstream Pipeline Charge	Dekatherms	Sheet No. 75	
		Unauthorized Overrun			
		Sales Commodity:			
		Standard	Dekatherms	\$25.00	
		Minimum			
		Distribution Charge	Dekatherms	\$7.325	I
		Commodity Charge	Dekatherms	Sheet No. 75	
		Upstream Pipeline Charge	Dekatherms	Sheet No. 75	

Advice Letter
 Number _____ Issue Date _____

Decision
 Number _____ Vice President
 Tim Johnston, P.E. Effective
 Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Thirteenth Amended Sheet No. 12A
 Cancels Twelfth Amended Sheet No. 12A

NATURAL GAS BILLING FORMAT
 SUMMARY SHEET
 CRIPPLE CREEK DIVISION

Customers within the Company's Cripple Creek Division will receive monthly bills which reflect the following format:

Residential Customers:		<u>Billing Units</u>	<u>Base Rate</u>	
<u>Type of Charge</u>			\$12.50	I
Service and Facility Charge		Therms	\$0.7325	I
Distribution Charge		Therms	Sheet No. 75	
Commodity Charge		Therms	Sheet No. 75	
Upstream Pipeline Charge				
Commercial Customers:				
<u>Type of Charge</u>		<u>Billing Units</u>	<u>Base Rate</u>	
Service and Facility Charge			\$25.00	I
Distribution Charge		Therms	\$0.7325	I
Commodity Charge		Therms	Sheet No. 75	
Upstream Pipeline Charge		Therms	Sheet No. 75	
Transportation Backup Fuel Supply and Unauthorized Overrun Sales Minimum:				
<u>Type of Charge</u>		<u>Billing Units</u>	<u>Base Rate</u>	
Distribution Charge		Therms	\$0.7325	I
Commodity Charge		Therms	Sheet No. 75	
Upstream Pipeline Charge		Therms	Sheet No. 75	
Unauthorized Overrun Sales Standard		Therms	Sheet No. 75	

The Commodity Charge and Upstream Pipeline Charge will change from time to time based on the Company's Gas Cost Adjustment Filings.

Advice Letter
 Number _____ Issue Date _____

Decision
 Number _____ Vice President
 Tim Johnston, P.E. Effective
 Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Fifth Amended Sheet No. 14
 Cancels Fourth Amended Sheet No. 14

NATURAL GAS RATES
 RESIDENTIAL GAS SERVICE
 SCHEDULE RG-B

APPLICABILITY

Applicable within the Bailey Division served by Colorado Natural Gas, as described on Sheet Nos. 5-5A, to Residential service.

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MONTHLY RATE

Service and Facility Charge, per customer.....\$12.50
 Distribution Charge, all gas used per therm.....\$0.7325
 Commodity Charge, all gas used per therm.....Sheet No. 75
 Upstream Pipeline Charge, all gas used per thermSheet No. 75

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MONTHLY MINIMUM.....\$12.50

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GAS RATE ADJUSTMENT

This rate schedule is subject to the Gas Rate Adjustments commencing on Sheet No. 60.

GAS COST ADJUSTMENT

This rate schedule is subject to the Gas Cost Adjustment commencing on Sheet No. 70.

PAYMENT

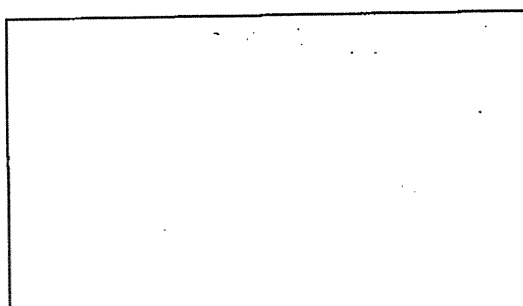
Bills for gas service are due and payable within fifteen days from the mailing date of bill.

CONTRACT PERIOD

Initial service under this schedule shall be for a minimum period of thirty days and thereafter until terminated, where service is no longer required, on three days' notice.

RULES AND REGULATIONS

Service supplied under this schedule is subject to the terms and conditions set forth in the Company's Rules and Regulations on file with The Public Utilities Commission of the State of Colorado.



Advice Letter
 Number _____ Issue Date _____

Decision
 Number _____ Vice President
 Tim Johnston, P.E. Effective
 Date _____

COLORADO NATURAL GAS, INC.
PO Box 270868
Littleton, CO 80127

CO PUC No. 1

Fifth Amended Sheet No. 16
Cancels Fourth Amended Sheet No. 16

NATURAL GAS RATES
RESIDENTIAL GAS SERVICE
SCHEDULE RG-C

APPLICABILITY

Applicable within the Cripple Creek Division served by Colorado Natural Gas, as described on Sheet Nos. 5B, to Residential service.

MONTHLY RATE

Service and Facility Charge, per customer.....\$12.50
Distribution Charge, all gas used per therm.....\$0.7325
Commodity Charge, all gas used per therm.....Sheet No. 75
Upstream Pipeline Charge, all gas used per thermSheet No. 75

MONTHLY MINIMUM.....\$12.50

GAS RATE ADJUSTMENT

This rate schedule is subject to the Gas Rate Adjustments commencing on Sheet No. 60.

GAS COST ADJUSTMENT

This rate schedule is subject to the Gas Cost Adjustment commencing on Sheet No. 70.

PAYMENT

Bills for gas service are due and payable within fifteen days from the mailing date of bill.

CONTRACT PERIOD

Initial service under this schedule shall be for a minimum period of thirty days and thereafter until terminated, where service is no longer required, on three days' notice.

RULES AND REGULATIONS

Service supplied under this schedule is subject to the terms and conditions set forth in the Company's Rules and Regulations on file with The Public Utilities Commission of the State of Colorado.

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Advice Letter _____ Issue Date _____
Number _____

Decision _____ Vice President _____ Effective _____
Number _____ Tim Johnston, P.E. _____ Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Fifth Amended Sheet No. 18
 Cancels Fourth Amended Sheet No. 18

NATURAL GAS RATES	
COMMERCIAL GAS SERVICE	
SCHEDULES CG-B	
<u>APPLICABILITY</u> Applicable within the Bailey Division served by Colorado Natural Gas, as described on Sheet Nos. 5-5A, to Commercial service.	T
<u>MONTHLY RATE</u> Service and Facility Charge, per customer.....\$25.00 Distribution Charge, all gas used per therm.....\$0.7872 Commodity Charge, all gas used per therm..... Sheet No. 75 Upstream Pipeline Charge, all gas used per therm Sheet No. 75	I I
<u>MONTHLY MINIMUM</u>\$25.00	I
<u>GAS RATE ADJUSTMENT</u> This rate schedule is subject to the Gas Rate Adjustments commencing on Sheet No. 60.	
<u>GAS COST ADJUSTMENT</u> This rate schedule is subject to the Gas Cost Adjustment commencing on Sheet No. 70.	
<u>PAYMENT AND LATE PAYMENT CHARGE</u> Bills for gas service are due and payable within fifteen days from the mailing date of bill. Any amounts not paid on or before the due date of the bill shall be subject to a late payment charge of 1.5% per month.	
<u>CONTRACT PERIOD</u> Initial service under this schedule shall be for a minimum period of thirty days and thereafter until terminated, where service is no longer required, on three days' notice.	

Advice Letter Number _____ Issue Date _____
 Vice President
 Tim Johnston, P.E. Effective Date _____
 Decision Number _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Fifth Amended Sheet No. 20
 Cancels Fourth Amended Sheet No. 20

NATURAL GAS RATES	
COMMERCIAL GAS SERVICE	
SCHEDULE CG-C	
<u>APPLICABILITY</u> Applicable within the Cripple Creek Division served by Colorado Natural Gas, as described on Sheet Nos. 5B, to Commercial service.	T
<u>MONTHLY RATE</u> Service and Facility Charge, per customer.....\$25.00 Distribution Charge, all gas used per therm.....\$0.7325 Commodity Charge, all gas used per therm.....Sheet No. 75 Upstream Pipeline Charge, all gas used per thermSheet No. 75	I I
<u>MONTHLY MINIMUM</u>\$25.00	I
<u>GAS RATE ADJUSTMENT</u> This rate schedule is subject to the Gas Rate Adjustments commencing on Sheet No. 60.	
<u>GAS COST ADJUSTMENT</u> This rate schedule is subject to the Gas Cost Adjustment commencing on Sheet No. 70.	
<u>PAYMENT AND LATE PAYMENT CHARGE</u> Bills for gas service are due and payable within fifteen days from the mailing date of bill. Any amounts not paid on or before the due date of the bill shall be subject to a late payment charge of 1.5% per month.	
<u>CONTRACT PERIOD</u> Initial service under this schedule shall be for a minimum period of thirty days and thereafter until terminated, where service is no longer required, on three days' notice.	

Advice Letter Number _____ Issue Date _____

Decision Number _____ Vice President Tim Johnston, P.E. Effective Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Cancels First Amended Sheet No. 22
Original Sheet No. 22

NATURAL GAS RATES

FIRM GAS TRANSPORTATION SERVICE

Schedule TF-B

APPLICABILITY

Applicable to Shippers having acquired by separate agreement, supplies of natural gas (Shipper's Gas) and where Company has available System capacity in excess of that presently required for service to existing firm gas sales Customers and firm Shippers. Service is applicable to firm transportation of Shipper's Gas from Company's Receipt Point(s) to the Delivery Point(s) through Company's Bailey Division system. Service provided hereunder shall be in accordance with the Firm Gas Transportation Service Agreement (Service Agreement) between Company and Shipper, and the requirements of the Firm Gas Transportation Service provisions and the General Transportation Terms and Conditions of Company's Gas Transportation Tariff. Firm Capacity and Firm Supply quantities reserved under this rate schedule shall be designated for Receiving Party(s) at specific Delivery Point(s).

MONTHLY RATE - FIRM GAS TRANSPORTATION SERVICE CHARGES

Service and Facility Charge, for the each service meter on Service Agreement.....	\$150.00	
Firm Capacity Reservation Charge, per dekatherm.....	\$29.00	
Transportation Commodity Charge: Applicable to all of Shipper's gas transported by Company up to Contracted Peak Day Quantity		
Standard Rate, per dekatherm.....	\$7.872	I
Minimum Rate, per dekatherm.....	\$0.50	I
Authorized Overrun Transportation Charge, per dekatherm.....	\$7.872	

Advice Letter Number _____ Issue Date _____
 Decision Number _____ Vice President Tim Johnston, P.E. Effective Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Fifth Amended Sheet No. 23
 Cancels Fourth Amended Sheet No. 23

NATURAL GAS RATES		
FIRM GAS TRANSPORTATION SERVICE		
Schedule TF-B Cont'd		
<u>MONTHLY RATE - FIRM GAS TRANSPORTATION SERVICE CHARGES</u>		
Cont'd		
Unauthorized Overrun Transportation Charge		
Standard Rate, per dekatherm.....	\$25.00	I
Minimum Rate, per dekatherm.....	\$7.872	
 <u>BACKUP SUPPLY SALES SERVICE CHARGES</u>		
Firm Supply Reservation Charge.....	Sheet No. 75	T
Backup Supply Sales Charge,		
Distribution Charge, all gas used per dekatherm.....	\$7.872	I
Commodity Charge, all gas used per dekatherm.....	Sheet No. 75	
Upstream Pipeline Charge, all gas used per dekatherm...	Sheet No. 75	
Authorized Overrun Sales Charge,		
Distribution Charge, all gas used per dekatherm.....	\$7.872	I
Commodity Charge, all gas used per dekatherm.....	Sheet No. 75	
Upstream Pipeline Charge, all gas used per dekatherm..	Sheet No. 75	
Unauthorized Overrun Penalty Charge		
Standard Rate, per dekatherm.....	\$25.00	
Minimum Rate,		
Distribution Charge, all gas used per dekatherm.....	\$7.872	I
Commodity Charge, all gas used per dekatherm.....	Sheet No. 75	
Upstream Pipeline Charge, all gas used per dekatherm	Sheet No. 75	

Advice Letter
 Number _____ Issue Date _____

Decision
 Number _____

Vice President
 Tim Johnston, P.E.

Effective
 Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Cancels First Amended Sheet No. 25
Original Sheet No. 25

NATURAL GAS RATES
 FIRM GAS TRANSPORTATION SERVICE
 Schedule TF-C

APPLICABILITY

Applicable to Shippers having acquired by separate agreement, supplies of natural gas (Shipper's Gas) and where Company has available System capacity in excess of that presently required for service to existing firm gas sales Customers and firm Shippers. Service is applicable to firm transportation of Shipper's Gas from Company's Receipt Point(s) to the Delivery Point(s) through Company's Cripple Creek Division system. Service provided hereunder shall be in accordance with the Firm Gas Transportation Service Agreement (Service Agreement) between Company and Shipper, and the requirements of the Firm Gas Transportation Service provisions and the General Transportation Terms and Conditions of Company's Gas Transportation Tariff. Firm Capacity and Firm Supply quantities reserved under this rate schedule shall be designated for Receiving Party(s) at specific Delivery Point(s).

MONTHLY RATE - FIRM GAS TRANSPORTATION SERVICE CHARGES

Service and Facility Charge, for the each service meter on Service Agreement.....	\$150.00
Firm Capacity Reservation Charge, per dekatherm.....	\$29.00
Transportation Commodity Charge: Applicable to all of Shipper's gas transported by Company up to Contracted Peak Day Quantity	
Standard Rate, per dekatherm.....	\$7.325
Minimum Rate, per dekatherm.....	\$0.50
Authorized Overrun Transportation Charge, per dekatherm.....	\$7.325

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Advice Letter
 Number _____ Issue Date _____

Decision
 Number _____ Vice President
 Tim Johnston, P.E. Effective
 Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Fifth Amended Sheet No. 26
 Cancels Fourth Amended Sheet No. 26

NATURAL GAS RATES		
FIRM GAS TRANSPORTATION SERVICE		
Schedule TF-C Cont'd		
<u>MONTHLY RATE - FIRM GAS TRANSPORTATION SERVICE CHARGES -</u>		
Cont'd		
Unauthorized Overrun Transportation Charge	\$25.00	I
Standard Rate, per dekatherm.....	\$7.325	
Minimum Rate, per dekatherm.....		
<u>BACKUP SUPPLY SALES SERVICE CHARGES</u>		
Firm Supply Reservation Charge.....	Sheet No. 75	T
Backup Supply Sales Charge,		I
Distribution Charge, all gas used per dekatherm.....	\$7.325	
Commodity Charge, all gas used per dekatherm.....	Sheet No. 75	
Upstream Pipeline Charge, all gas used per dekatherm..	Sheet No. 75	
Authorized Overrun Sales Charge,		I
Distribution Charge, all gas used per dekatherm.....	\$7.325	
Commodity Charge, all gas used per dekatherm.....	Sheet No. 75	
Upstream Pipeline Charge, all gas used per dekatherm..	Sheet No. 75	
Unauthorized Overrun Penalty Charge	\$25.00	
Standard Rate, per dekatherm.....		
Minimum Rate,		
Distribution Charge, all gas used per dekatherm.....	\$7.325	I
Commodity Charge, all gas used per dekatherm.....	Sheet No. 75	
Upstream Pipeline Charge, all gas used per dekatherm	Sheet No. 75	

Advice Letter Number _____ Issue Date _____
 Vice President
 Tim Johnston, P.E.
 Decision Number _____ Effective Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Cancels First Amended Sheet No. 27A
Original Sheet No. 27A

NATURAL GAS RATES

FIRM GAS TRANSPORTATION SERVICE

Schedule TF-R

APPLICABILITY

Applicable to Shippers having acquired by separate agreement, supplies of natural gas (Shipper's Gas) and where Company has available System capacity in excess of that presently required for service to existing firm gas sales Customers and firm Shippers. Service is applicable to firm transportation of Shipper's Gas from Company's Receipt Point(s) to the Delivery Point(s) through Company's Colorado City and Rye Division system. Service provided hereunder shall be in accordance with the Firm Gas Transportation Service Agreement (Service Agreement) between Company and Shipper, and the requirements of the Firm Gas Transportation Service provisions and the General Transportation Terms and Conditions of Company's Gas Transportation Tariff. Firm Capacity and Firm Supply quantities reserved under this rate schedule shall be designated for Receiving Party(s) at specific Delivery Point(s).

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MONTHLY RATE - FIRM GAS TRANSPORTATION SERVICE CHARGES

Service and Facility Charge, for the each service meter On Service Agreement.....	\$150.00
Firm Capacity Reservation Charge, per dekatherm.....	\$29.00
Transportation Commodity Charge: Applicable to all of Shipper's gas transported by Company up to Contracted Peak Day Quantity	
Standard Rate, per dekatherm.....	\$3.015
Minimum Rate, per dekatherm.....	\$0.50
Authorized Overrun Transportation Charge, per dekatherm.....	\$3.015

Advice Letter Number _____ Issue Date _____
 _____ President _____
 Decision Number _____ Effective Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Fifth Amended Sheet No. 41
 Cancels Fourth Amended Sheet No. 41

NATURAL GAS RATES		
INTERRUPTIBLE GAS TRANSPORTATION SERVICE		
Schedule TI-B Cont'd		
<u>BACKUP SUPPLY SALES SERVICE CHARGES</u>		
On Peak Demand Charge, per dekatherm.....	Sheet No. 75	T
Backup Supply Sales Charge,		
Distribution Charge, all gas used per dekatherm.....	\$7.872	I
Commodity Charge, all gas used per dekatherm.....	Sheet No. 75	
Upstream Pipeline Charge, all gas used per dekatherm..	Sheet No. 75	
 Unauthorized Overrun Sales Charge		
Standard Rate, per dekatherm.....	\$25.00	
Minimum Rate,		
Distribution Charge, all gas used per dekatherm.....	\$7.872	I
Commodity Charge, all gas used per dekatherm.....	Sheet No. 75	
Upstream Pipeline Charge, all gas used per dekatherm.	Sheet No. 75	
 <u>MONTHLY MINIMUM CHARGES</u>		
The Monthly Minimum shall be the sum of a) the Service and Facility Charge(s), b) the On-Peak Demand Charge (if applicable). In the event that Company is required to make any payments including but not limited to franchise fees or payments, sales taxes, occupancy taxes or the like, as a result of the transportation service being rendered to Shipper by Company, these charges will be included in billing from Company to Shipper.		
 <u>GAS RATE ADJUSTMENT</u>		
This rate schedule is subject to the Gas Rate Adjustments commencing on Sheet No. 60.		
 <u>GAS COST ADJUSTMENT</u>		
The Transportation Commodity Charge, the Firm Supply Reservation Charge and the Backup Supply Sales Charges are subject to the Gas Cost Adjustment commencing on Sheet No. 70.		

Advice Letter
 Number _____ Issue Date _____

Decision
 Number _____ Vice President
 Tim Johnston, P.E. Effective
 Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Second Amended Sheet No. 42
 Cancels First Amended Sheet No. 42

NATURAL GAS RATES
 INTERRUPTIBLE GAS TRANSPORTATION SERVICE
 Schedule TI-C

APPLICABILITY

Applicable to Shippers having acquired by separate agreement, supplies of natural gas (Shipper's Gas) and where Company has available System capacity in excess of that presently required for service to existing firm gas sales Customers and Firm Transportation Shippers. Service is applicable to interruptible transportation of Shipper's Gas from Company's Receipt Point(s) to the Delivery Point(s) through Company's Cripple Creek Division system. Service provided hereunder shall be in accordance with the Interruptible Gas Transportation Service Agreement (Service Agreement) between Company and Shipper, and the requirements of the Interruptible Gas Transportation Service provisions and the General Transportation Terms and Conditions of Company's Gas Transportation Tariff.

MONTHLY RATE - INTERRUPTIBLE GAS TRANSPORTATION SERVICE CHARGES

Service and Facility Charge, for the each service meter on Service Agreement.....	\$300.00	
Transportation Commodity Charge: Applicable to all of Shipper's gas transported by Company up to Contracted Maximum Daily Transportation Quantity:		
Standard Rate, per dekatherm.....	\$7.325	I
Minimum Rate, per dekatherm.....	\$0.50	
Authorized Overrun Transportation Charge, per dekatherm.....	\$7.325	I
Unauthorized Overrun Transportation Charge:		
Standard Rate, per dekatherm.....	\$25.00	
Minimum Rate, per dekatherm.....	\$7.325	I

Advice Letter
 Number _____ Issue Date _____

Decision
 Number _____ Vice President
 Tim Johnston, P.E. Effective
 Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Fifth Amended Sheet No. 43
 Cancels Fourth Amended Sheet No. 43

NATURAL GAS RATES		
INTERRUPTIBLE GAS TRANSPORTATION SERVICE		
Schedule TI-C Cont'd		
<u>BACKUP SUPPLY SALES SERVICE CHARGES</u>		
Firm Supply Reservation Charge.....	Sheet No. 75	T
Backup Supply Sales Charge,		
Distribution Charge, all gas used per dekatherm.....	\$7.325	I
Commodity Charge, all gas used per dekatherm.....	Sheet No. 75	
Upstream Pipeline Charge, all gas used per dekatherm..	Sheet No. 75	
Unauthorized Overrun Penalty Charge		
Standard Rate, per dekatherm.....	\$25.00	
Minimum Rate,		
Distribution Charge, all gas used per dekatherm.....	\$7.325	I
Commodity Charge, all gas used per dekatherm.....	Sheet No. 75	
Upstream Pipeline Charge, all gas used per dekatherm ..	Sheet No. 75	
<u>MONTHLY MINIMUM CHARGES</u>		
The Monthly Minimum shall be the sum of a) the Service and Facility Charge(s), b) the On-Peak Demand Charge (if applicable).. In the event that Company is required to make any payments including but not limited to franchise fees or payments, sales taxes, occupancy taxes or the like, as a result of the transportation service being rendered to Shipper by Company, these charges will be included in billing from Company to Shipper.		
<u>GAS RATE ADJUSTMENT</u>		
This rate schedule is subject to the Gas Rate Adjustments commencing on Sheet No. 60.		
<u>GAS COST ADJUSTMENT</u>		
The Transportation Commodity Charge, the Firm Supply Reservation Charge and the Backup Supply Sales Charges are subject to the Gas Cost Adjustment commencing on Sheet No. 70.		

Advice Letter
 Number _____ Issue Date _____

Vice President
 Tim Johnston, P.E.

Decision
 Number _____ Effective
 Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Cancels First Amended Sheet No. 43A
Original Sheet No. 43A

NATURAL GAS RATES

INTERRUPTIBLE GAS TRANSPORTATION SERVICE

Schedule TI-R

APPLICABILITY

Applicable to Shippers having acquired by separate agreement, supplies of natural gas (Shipper's Gas) and where Company has available System capacity in excess of that presently required for service to existing firm gas sales Customers and Firm Transportation Shippers. Service is applicable to interruptible transportation of Shipper's Gas from Company's Receipt Point(s) to the Delivery Point(s) through Company's Colorado City and Rye Division system. Service provided hereunder shall be in accordance with the Interruptible Gas Transportation Service Agreement (Service Agreement) between Company and Shipper, and the requirements of the Interruptible Gas Transportation Service provisions and the General Transportation Terms and Conditions of Company's Gas Transportation Tariff.

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MONTHLY RATE - INTERRUPTIBLE GAS TRANSPORTATION SERVICE CHARGES

Service and Facility Charge, for the each service meter on Service Agreement.....	\$300.00
Transportation Commodity Charge: Applicable to all of Shipper's gas transported by Company up to Contracted Maximum Daily Transportation Quantity:	
Standard Rate, per dekatherm.....	\$3.015
Minimum Rate, per dekatherm.....	\$0.50
Authorized Overrun Transportation Charge, per dekatherm.....	\$3.015
Unauthorized Overrun Transportation Charge:	
Standard Rate, per dekatherm.....	\$25.00
Minimum Rate, per dekatherm.....	\$3.015

Advice Letter Number _____ Issue Date _____

President

Decision Number _____ Effective Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Cancels Second Amended Sheet No. 69
First Amended Sheet No. 69

Metering Pressure and BTU Adjustments

Applicability

All volumes measured on a non-pressure-compensated basis are subject to a pressure adjustment to compensate for the variation in atmospheric pressure due to elevation and to correct the measured flow to 14.65 psia. All corrected volumes are multiplied by the BTU content of the gas, as determined per cubic foot at 14.65 psia, to calculate the energy usage for billing purposes. For the CNG Divisions, the following atmospheric pressures, residential/small commercial billing pressure, and correction factors will be applied:

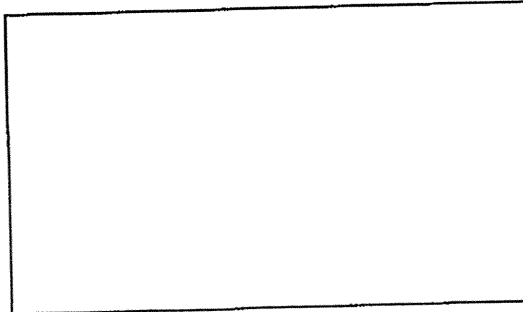
	Atmospheric Pressure	Billing Pressure	Pressure Correction Factor
Bailey Service Division	10.89 psia	11.14 psia	0.7604
Cripple Creek Division	10.43 psia	10.68 psia	0.7290
Colorado City and Rye Division	11.92 psia	12.17 psia	0.8262

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For the Bailey Division, the elevation used for the calculation of these atmospheric pressures was the average of the highest point of service and the lowest point of service in the Division. For the Cripple Creek Division, the elevation used was the elevation in the Town of Cripple Creek, as listed on the map of the State of Colorado. For the Colorado City and Rye Division, the elevation used was the elevation for Colorado City, as listed on the map of the State of Colorado.

The BTU content of the gas received by the Company is measured and reported on a monthly basis as part of the gas transportation invoice from the upstream pipeline supplier. As part of the annual Gas Cost Adjustment Filing, a weighted average annual BTU will be calculated from these monthly BTU readings and the monthly usages from the previous gas year ended June 30, and reported by Division on Sheet 75 of this tariff.

A sample calculation for the conversion of a metered residential volume to a billing amount in therms would be made as follows:
 (Metered volume in CCF) X (Pressure Correction Factor) X (BTU Content)



Advice Letter Number _____ Issue Date _____
 Decision Number _____
 Vice President
 Tim Johnston, P.E.
 Effective Date _____

COLORADO NATURAL GAS, INC.
 PO Box 270868
 Littleton, CO 80127

CO PUC No. 1

Seventeenth Amended Sheet No. 75
 Cancels Sixteenth Amended Sheet No. 75

NATURAL GAS RATES GAS COST ADJUSTMENT									
A	B	C	D	E	F	G	H		
Rate Schedule	Sheet No.	Billing Units	Type of Charge	Commodity Cost	Upstream Cost	Deferred Gas Cost	Gas Cost Adjustment		
RG-B	14	Therms	Commodity	\$0.8257	\$0.0703	\$0.0194	\$0.9154	D	
RG-C	16	Therms	Commodity	\$0.8236	\$0.1326	-\$0.0725	\$0.8837		
RG-R	17A	Therms	Commodity	Service not yet provided in this area					D
CG-B	18	Therms	Commodity	\$0.8257	\$0.0703	\$0.0194	\$0.9154		
CG-C	20	Therms	Commodity	\$0.8236	\$0.1326	-\$0.0725	\$0.8837		
CG-R	21A	Therms	Commodity	Service not yet provided in this area					D
TF-B	22-24	Dekatherms	Commodity	\$8.257	\$0.703	\$0.194	\$9.154		
TF-C	25-27	Dekatherms	Commodity	\$8.236	\$1.326	-\$0.725	\$8.837		
TF-R	27A-27B	Dekatherms	Commodity	Service not yet provided in this area					D
TI-B	40-41	Dekatherms	Commodity	\$8.257	\$0.703	\$0.194	\$9.154		
TI-C	42-43	Dekatherms	Commodity	\$8.236	\$1.326	-\$0.725	\$8.837		
TI-R	43A-43B	Dekatherms	Commodity	Service not yet provided in this area					
<p>For each Rate Schedule, the Gas Cost Adjustment, Column H, is the sum of the Commodity Cost in Column E, the Upstream Cost in Column F and the Deferred Gas Cost in Column G.</p> <p>For Schedules TF-B, TF-C, TF-R, TI-B, TI-C and TI-R, the commodity cost charged will be the highest of: (A) the Commodity Cost listed above in Column E, or (B) the highest commodity cost paid by the Company for gas for that service area during the month service is rendered, or (C) the Colorado Interstate Gas Co. Rocky Mountains Monthly Index as published in the Inside FERC's Gas Market Report. Added to this highest cost will be the Upstream Cost in Column F.</p> <p>On-Peak Demand Charge:</p> <p>Schedules TF-B, TI-B, \$5.96 per Dekatherm Capacity</p> <p>Schedules TF-C, TI-C \$5.96 per Dekatherm Capacity</p> <p>Schedules TF-R, TI-R \$5.96 per Dekatherm Capacity</p> <p>Annual Fuel Re-imbusement:</p> <p>Schedules TF-B, TI-B, 0.23%</p> <p>Schedules TF-C, TI-C 0.23%</p> <p>Schedules TF-R, TI-R 0.00%</p> <p>Annual Average BTU Content:</p> <p>Schedules RG-B, CG-B, TF-B, TI-B 991.5</p> <p>Schedules RG-C, CG-C, TF-C, TI-C 996.6</p> <p>Schedules RG-R, CG-R, TF-R, TI-R 1000.0</p>									

Advice Letter
 Number _____ Issue Date _____

Vice President
 Tim Johnston, P.E. Effective
 Date _____

Decision
 Number _____

STIPULATION ATTACHMENT D

Stipulation and Agreement Attachment D
 Rate Increase Comparisons and Billing Impacts

	Current Service and Facilities Charges	Proposed Service and Facilities Charges	Percentage Change
Residential - Bailey	\$10.00	\$12.50	25.00%
Commercial - Bailey	\$20.00	\$25.00	25.00%
Residential - Conifer	\$10.00	\$12.50	25.00%
Commercial - Conifer	\$20.00	\$25.00	25.00%
Residential - Cripple Creek	\$10.00	\$12.50	25.00%
Commercial - Cripple Creek	\$20.00	\$25.00	25.00%

	Current Distribution Charges per Therm	Proposed Distribution Charges per Therm	Percentage Change
Residential - Bailey	\$0.5619	\$0.7872	40.10%
Commercial - Bailey	\$0.5619	\$0.7872	40.10%
Residential - Conifer	\$0.4400	\$0.7872	78.91%
Commercial - Conifer	\$0.4400	\$0.7872	78.91%
Residential - Cripple Creek	\$0.5692	\$0.7325	28.69%
Commercial - Cripple Creek	\$0.5692	\$0.7325	28.69%

	Current Average Annual Bill	Projected Average Annual Bill	Percentage Change
Residential - Bailey	\$1,468.47	\$1,701.44	15.87%
Commercial - Bailey	\$8,446.51	\$9,741.76	15.33%
Residential - Conifer	\$1,299.25	\$1,627.05	25.23%
Commercial - Conifer	\$7,778.16	\$9,741.76	25.24%
Residential - Cripple Creek	\$1,218.38	\$1,378.32	13.13%
Commercial - Cripple Creek	\$8,909.46	\$9,995.05	12.18%

	Prior Year's Peak Winter Month Bill	Projected Peak Winter Month Bill	Percentage Change
Residential - Bailey	\$317.83	\$377.61	18.81%
Commercial - Bailey	\$1,473.71	\$1,719.41	16.67%
Residential - Conifer	\$298.70	\$373.82	25.15%
Commercial - Conifer	\$1,373.23	\$1,719.41	25.21%
Residential - Cripple Creek	\$295.13	\$345.85	17.18%
Commercial - Cripple Creek	\$1,448.98	\$1,652.00	14.01%

	Average Annual Usage, Therms	Average Peak Month Usage, Therms
Residential - Bailey	900.9	132.17
Commercial - Bailey	5482.7	824.23
Residential - Conifer	857.7	129.97
Commercial - Conifer	5482.7	824.23
Residential - Cripple Creek	795.7	126.87
Commercial - Cripple Creek	6280.4	875.82

Current Bailey Commodity Charge	\$0.9349 per therm
Current Conifer Commodity Charge	\$0.9349 per therm
Current Cripple Creek Commodity Charge	\$0.8112 per therm