



NEWS RELEASE

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Office of Consumer Counsel Challenges SourceGas Proposed Rate Increase

DENVER—The Colorado Office of Consumer Counsel (OCC) is challenging the request of SourceGas Distribution LLC (SourceGas) to raise the rates of its 87,000 natural gas customers in the state. Three quarters of the customers live in rate area 1 which includes Aspen, Basalt, Glenwood Springs, Montrose, Ouray, Snowmass and Telluride. The remaining rate area 2 customers live in Akron, Archuleta, Bent, Crowley, Haxtun, Holyoke, Julesburg, La Plata, Mineral, Wray and Yuma counties.

The OCC, a division of the Colorado Department of Regulatory Agencies, filed its protest with the Public Utilities Commission on July 6, 2010, objecting to the approximate \$6 million rate increase. Source Gas is also seeking a 12 percent return on equity even though the Commission has most recently approved returns on equity of between 10.25 and 10.5 percent. Source Gas' last gas increase became effective on September 1, 2008.

“In representing the public interest and, in particular residential, agricultural and small business consumers,” said Consumer Counsel Bill Levis, “the OCC is concerned about the size and timing of SourceGas' rate increase proposal. Because of its impact on our constituents, we have asked the Commission to suspend the August 1st effective date of the filing and hold a hearing on the proposal.”

Based on Source Gas' application, the average residential customer in Rate Area 1 would see a 5.23 percent (\$5.30) monthly gas increase and the average residential customer in Rate Area 2 would see a 2.58 percent (\$1.75) monthly gas increase; while the average small commercial customer in Rate Area 1 would see a 5.20 percent (\$8.09) monthly gas increase and the average small commercial customer in Rate Area 2 will see a 2.38 percent (\$2.69) monthly gas increase.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

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