

SourceGas Distribution LLC

Colo. PUC No. 7  
Second Revised Sheet No. 2  
Cancels First Revised Sheet No. 2

**TABLE OF CONTENTS**

<u>Description</u>	<u>Sheet No.</u>
Title Page .....	0
Information Sheet .....	1
Table of Contents .....	2
Paragraph Numbering Sequence .....	3A
<b>SALES SERVICES</b>	
List of Territories Served in North Eastern Colorado .....	5
List of Territories Served in Western Slope Colorado .....	5A
List of Territories Served in North Central Colorado.....	5B
List of Territories Served in Arkansas Valley Colorado .....	5C
List of Territories Served in Southwestern Colorado.....	5D
Sales Service Schedule of Rates – North Eastern Colorado.....	7
Sales Service Schedule of Rates – Western Slope Colorado.....	7B
Sales Service Schedule of Rates – North Central Colorado.....	7D
Sales Service Schedule of Rates – Arkansas Valley Colorado.....	7F
Sales Service Schedule of Rates – Southwestern Colorado.....	7H
Schedule of Special Charges .....	8
Residential Sales Service .....	9
Small Commercial Sales Service .....	10
Large Commercial Sales Service .....	11
Irrigation, Crop Drying or Seasonal Sales Service.....	12
Demand Side Management Cost Adjustment.....	13
Sheets Reserved for Future Use .....	17-36L

N  
T

Advice Letter No. 234

Bentley W. Breland  
Issuing Officer

Issue Date: February 2, 2009

Decision or  
Authority No.

Sr. Vice President  
Title

Effective Date: February 6, 2009

SourceGas Distribution LLC

Colo. PUC No. 7  
Fourth Revised Sheet No. 7  
Cancels Third Revised Sheet No. 7

**North Eastern Colorado**  
Sales Service Schedule of Rates  
(Included in Base Rate Area 2)(1)

<u>Rate Schedule</u>	<u>Sheet Number</u>	<u>Type of Charge</u>	<u>Billing Units</u>	<u>Base Rates</u>	<u>DSMCA Rate (4)</u>	<u>Gas Cost Adjustment (2)</u>	<u>Total Rate</u>
R-2	9	Customer Charge (3)	Per Meter	\$10.00	\$0.32	--	\$10.32
		Volumetric Charge	Therms	\$0.2074	\$0.0066	\$0.7222	\$0.9362
SC-2	10	Customer Charge (3)	Per Meter	\$20.00	\$0.54	--	\$20.54
		Volumetric Charge	Therms	\$0.1427	\$0.0038	\$0.7222	\$0.8687
LC-2	11	Customer Charge (3)	Per Meter	\$100.00	\$2.68	--	\$102.68
		Volumetric Charge	Therms	\$0.1167	\$0.0031	\$0.7222	\$0.8420
ICD-2	12	Customer Charge (3)	Per Meter	\$40.00	\$1.07	--	\$41.07
		Volumetric Charge	Therms	\$0.0700	\$0.0019	\$0.7222	\$0.7941

(1) Base Rate Area 1 is composed of Western Slope and North Central. Base Rate Area 2 is composed of North Eastern, Arkansas Valley and Southwestern.

(2) The Company has the following five GCA Rate Areas: North Eastern, Western Slope, North Central, Arkansas Valley, and Southwestern. The GCA rates shown on this tariff sheet are subject to adjustment for changes in Company's cost of gas as provided for by the Gas Cost Adjustment provisions on Sheet Nos. 37-39 of this Tariff. The above GCA rates reflect a gas cost adjustment as follows:

GCA Formula:

Current Gas Cost	+	Deferred Gas Cost	=	GCA
\$0.8095	+	(\$0.0873)	=	\$0.7222

(3) The Customer Charge shall be increased by \$40.00 per month for premises that avail themselves of the Extra Construction Allowance for the duration of the repayment period.

(4) Base rates under this Tariff are adjusted by the Demand Side Management Cost Adjustment per Tariff Sheet No. 13 summarized below:

<u>Rate Schedule</u>	<u>DSMCA %</u>	<u>DSMCA Monthly Rate</u>	<u>DSMCA Volumetric Rate</u>
R-2	3.16%	\$0.32	\$0.0066
SC-2	2.68%	\$0.54	\$0.0038
LC-2	2.68%	\$2.68	\$0.0031
ICD-2	2.68%	\$1.07	\$0.0019

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SourceGas Distribution LLC

Colo. PUC No. 7  
Second Revised Sheet No. 7A  
Cancels First Revised Sheet No. 7A

**North Eastern Colorado  
Sales Service Schedule of Rates  
(Included in Base Rate Area 2)**

**Rule 4406(b) Itemized Billing Units**

Gas Cost Adjustment (GCA)

<u>Rate Schedule</u>	<u>Distribution Charge Per Therm</u>	<u>Commodity Charge Per Therm</u>	<u>Upstream Pipeline Charge Per Therm</u>	<u>DSMCA Charge Per Therm</u>	<u>Total Charge Per Therm</u>	<u>DSMCA Charge Per Meter</u>	<u>Monthly Customer Charge Per Meter</u>
R-2	\$0.2074	\$0.5321	\$0.1901	\$0.0066	\$0.9362	\$0.32	\$10.00
SC-2	\$0.1427	\$0.5321	\$0.1901	\$0.0038	\$0.8687	\$0.54	\$20.00
LC-2	\$0.1167	\$0.5321	\$0.1901	\$0.0031	\$0.8420	\$2.68	\$100.00
ICD-2	\$0.0700	\$0.5321	\$0.1901	\$0.0019	\$0.7941	\$1.07	\$40.00

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Colo. PUC No. 7  
Second Revised Sheet No. 7B  
Cancels First Revised Sheet No. 7B

**Western Slope Colorado**  
**Sales Service Schedule of Rates**  
(Included in Base Rate Area 1)(1)

<u>Rate Schedule</u>	<u>Sheet Number</u>	<u>Type of Charge</u>	<u>Billing Units</u>	<u>Base Rates</u>	<u>Adjustments (4)</u>	<u>DSMCA Rate (5)</u>	<u>Gas Cost Adjustment (2)</u>	<u>Total Rate</u>
R-1	9	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$11.00 \$0.2267	-- 0.0254	\$0.23 \$0.0048	-- \$0.7973	\$11.23 \$1.0542
SC-1	10	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$22.00 \$0.1866	-- 0.0254	\$0.39 \$0.0033	-- \$0.7973	\$22.39 \$1.0126
LC-1	11	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$100.00 \$0.1535	-- 0.0254	\$1.76 \$0.0027	-- \$0.7973	\$101.76 \$0.9789
ICD-1	12	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$180.00 \$0.0925	-- 0.0254	\$3.17 \$0.0016	-- \$0.7973	\$183.17 \$0.9168

(1) Base Rate Area 1 is composed of Western Slope and North Central. Base Rate Area 2 is composed of North Eastern, Arkansas Valley and Southwestern.

(2) The Company has the following five GCA Rate Areas: North Eastern, Western Slope, North Central, Arkansas Valley, and Southwestern. The GCA rates shown on this tariff sheet are subject to adjustment for changes in Company's cost of gas as provided for by the Gas Cost Adjustment provisions on Sheet Nos. 37-39 of this Tariff. The above GCA rates reflect a gas cost adjustment as follows:

GCA Formula:

Current Gas Cost	+	Deferred Gas Cost	=	GCA
\$0.7807	+	\$0.0166	=	\$0.7973

(3) The Customer Charge shall be increased by \$40.00 per month for premises that avail themselves of the Extra Construction Allowance for the duration of the repayment period.

(4) Litigated Settlement Special Rate Surcharge (LSSRS) amount of \$0.0254 per therm pursuant to Sheet No. 39D of this Tariff.

(5) Base rates under this Tariff are adjusted by the Demand Side Management Cost Adjustment per Tariff Sheet No. 13 summarized below:

<u>Rate Schedule</u>	<u>DSMCA %</u>	<u>DSMCA</u>	<u>DSMCA</u>
		<u>Monthly Rate</u>	<u>Volumetric Rate</u>
R-1	2.10%	\$0.23	\$0.0048
SC-1	1.76%	\$0.39	\$0.0033
LC-1	1.76%	\$1.76	\$0.0027
ICD-1	1.76%	\$3.17	\$0.0016

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Bentley W. Breland  
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SourceGas Distribution LLC

Colo. PUC No. 7  
Third Revised Sheet No. 7C  
Cancels Second Revised Sheet No. 7C

**Western Slope Colorado**  
**Sales Service Schedule of Rates**  
**(Included in Base Rate Area 1)**

**Rule 4406(b) Itemized Billing Units**

Gas Cost Adjustment (GCA)

<u>Rate Schedule</u>	<u>Distribution Charge Per Therm</u>	<u>Commodity Charge Per Therm 1/</u>	<u>Upstream Pipeline Charge Per Therm</u>	<u>DSMCA Charge per Therm</u>	<u>Total Charge Per Therm 1/</u>	<u>DSMCA Charge Per Meter</u>	<u>Monthly Customer Charge Per Meter</u>
R-1	\$0.2267	\$0.5760	\$0.2467	\$0.0048	\$1.0542	\$0.23	\$11.00
SC-1	\$0.1866	\$0.5760	\$0.2467	\$0.0033	\$1.0126	\$0.39	\$22.00
LC-1	\$0.1535	\$0.5760	\$0.2467	\$0.0027	\$0.9789	\$1.76	\$100.00
ICD-1	\$0.0925	\$0.5760	\$0.2467	\$0.0016	\$0.9168	\$3.17	\$180.00

1/ Includes Litigated Settlement Special Rate Surcharge (LSSRS) amount of \$0.0254 per therm pursuant to Sheet No. 39D of this Tariff.

Advice Letter No. 234

Bentley W. Breland  
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SourceGas Distribution LLC

Colo. PUC No. 7  
Second Revised Sheet No. 7D  
Cancels First Revised Sheet No. 7D

**North Central Colorado  
Sales Service Schedule of Rates  
(Included in Base Rate Area 1)(1)**

<u>Rate Schedule</u>	<u>Sheet Number</u>	<u>Type of Charge</u>	<u>Billing Units</u>	<u>Base Rates</u>	<u>DSMCA Rate (4)</u>	<u>Gas Cost Adjustment (2)</u>	<u>Total Rate</u>
R-1	9	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$11.00 \$0.2267	\$0.23 \$0.0048	-- \$0.6847	\$11.23 \$0.9162
SC-1	10	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$22.00 \$0.1866	\$0.39 \$0.0033	-- \$0.6847	\$22.39 \$0.8746
LC-1	11	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$100.00 \$0.1535	\$1.76 \$0.0027	-- \$0.6847	\$101.76 \$0.8409
ICD-1	12	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$180.00 \$0.0925	\$3.17 \$0.0016	-- \$0.6847	\$183.17 \$0.7788

(1) Base Rate Area 1 is composed of Western Slope and North Central. Base Rate Area 2 is composed of North Eastern, Arkansas Valley and Southwestern.

(2) The Company has the following five GCA Rate Areas: North Eastern, Western Slope, North Central, Arkansas Valley, and Southwestern. The GCA rates shown on this tariff sheet are subject to adjustment for changes in Company's cost of gas as provided for by the Gas Cost Adjustment provisions on Sheet Nos. 37-39 of this Tariff. The above GCA rates reflect a gas cost adjustment as follows:

GCA Formula:

Current Gas Cost	+	Deferred Gas Cost	=	GCA
\$0.6446	+	\$0.0401	=	\$0.6847

(3) The Customer Charge shall be increased by \$40.00 per month for premises that avail themselves of the Extra Construction Allowance for the duration of the repayment period.

(4) Base rates under this Tariff are adjusted by the Demand-Side Management Cost Adjustment per Tariff Sheet No. 13 summarized below:

<u>Rate Schedule</u>	<u>DSMCA %</u>	<u>DSMCA Monthly Rate</u>	<u>DSMCA Volumetric Rate</u>
R-1	2.10%	\$0.23	\$0.0048
SC-1	1.76%	\$0.39	\$0.0033
LC-1	1.76%	\$1.76	\$0.0027
ICD-1	1.76%	\$3.17	\$0.0016

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SourceGas Distribution LLC

Colo. PUC No. 7  
Second Revised Sheet No. 7E  
Cancels First Revised Sheet No. 7E

**North Central Colorado  
Sales Service Schedule of Rates  
(Included in Base Rate Area I)**

**Rule 4406(b) Itemized Billing Units**

Gas Cost Adjustment (GCA)

<u>Rate Schedule</u>	<u>Distribution Charge Per Therm</u>	<u>Commodity Charge Per Therm</u>	<u>Upstream Pipeline Charge Per Therm</u>	<u>DSMCA Charge Per Therm</u>	<u>Total Charge Per Therm</u>	<u>DSMCA Charge Per Meter</u>	<u>Monthly Customer Charge Per Meter</u>
R-1	\$0.2267	\$0.6010	\$0.0837	\$0.0048	\$0.9162	\$0.23	\$11.00
SC-1	\$0.1866	\$0.6010	\$0.0837	\$0.0033	\$0.8746	\$0.39	\$22.00
LC-1	\$0.1535	\$0.6010	\$0.0837	\$0.0027	\$0.8409	\$1.76	\$100.00
ICD-1	\$0.0925	\$0.6010	\$0.0837	\$0.0016	\$0.7788	\$3.17	\$180.00

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Bentley W. Breland  
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SourceGas Distribution LLC

Colo. PUC No. 7  
Second Revised Sheet No. 7F  
Cancels First Revised Sheet No. 7F

**Arkansas Valley Colorado**  
**Sales Service Schedule of Rates**  
(Included in Base Rate Area 2)(1)

<u>Rate Schedule</u>	<u>Sheet Number</u>	<u>Type of Charge</u>	<u>Billing Units</u>	<u>Base Rates</u>	<u>DSMCA Rate (4)</u>	<u>Gas Cost Adjustment (2)</u>	<u>Total Rate</u>
R-2	9	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$10.00 \$0.2074	\$0.32 \$0.0066	-- \$0.7419	\$10.32 \$0.9559
SC-2	10	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$20.00 \$0.1427	\$0.54 \$0.0038	-- \$0.7419	\$20.54 \$0.8884
LC-2	11	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$100.00 \$0.1167	\$2.68 \$0.0031	-- \$0.7419	\$102.68 \$0.8617
ICD-2	12	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$40.00 \$0.0700	\$1.07 \$0.0019	-- \$0.7419	\$41.07 \$0.8138

(1) Base Rate Area 1 is composed of Western Slope and North Central. Base Rate Area 2 is composed of North Eastern, Arkansas Valley and Southwestern.

(2) The Company has the following five GCA Rate Areas: North Eastern, Western Slope, North Central, Arkansas Valley, and Southwestern. The GCA rates shown on this tariff sheet are subject to adjustment for changes in Company's cost of gas as provided for by the Gas Cost Adjustment provisions on Sheet Nos. 37-39 of this Tariff. The above GCA rates reflect a gas cost adjustment as follows:

GCA Formula:

Current Gas Cost	+	Deferred Gas Cost	=	GCA
\$0.7010	+	\$0.0409	=	\$0.7419

(3) The Customer Charge shall be increased by \$40.00 per month for premises that avail themselves of the Extra Construction Allowance for the duration of the repayment period.

(4) Base rates under this Tariff are adjusted by the Demand Side Management Cost Adjustment per Tariff Sheet No. 13 summarized below:

<u>Rate Schedule</u>	<u>DSMCA %</u>	<u>DSMCA Monthly Rate</u>	<u>DSMCA Volumetric Rate</u>
R-2	3.16%	\$0.32	\$0.0066
SC-2	2.68%	\$0.54	\$0.0038
LC-2	2.68%	\$2.68	\$0.0031
ICD-2	2.68%	\$1.07	\$0.0019

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Bentley W. Breland  
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SourceGas Distribution LLC

Colo. PUC No. 7  
Second Revised Sheet No. 7G  
Cancels First Revised Sheet No. 7G

**Arkansas Valley Colorado  
Sales Service Schedule of Rates  
(Included in Base Rate Area 2)**

**Rule 4406(b) Itemized Billing Units**

Gas Cost Adjustment (GCA)

<u>Rate Schedule</u>	<u>Distribution Charge Per Therm</u>	<u>Commodity Charge Per Therm</u>	<u>Upstream Pipeline Charge Per Therm</u>	<u>DSMCA Charge per Therm</u>	<u>Total Charge Per Therm</u>	<u>DSMCA Charge per Meter</u>	<u>Monthly Customer Charge Per Meter 1/</u>
R-2	\$0.2074	\$0.5967	\$0.1452	\$0.0066	\$0.9559	\$0.32	\$10.00
SC-2	\$0.1427	\$0.5967	\$0.1452	\$0.0038	\$0.8884	\$0.54	\$20.00
LC-2	\$0.1167	\$0.5967	\$0.1452	\$0.0031	\$0.8617	\$2.68	\$100.00
ICD-2	\$0.0700	\$0.5967	\$0.1452	\$0.0019	\$0.8138	\$1.07	\$40.00

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SourceGas Distribution LLC

Colo. PUC No. 7  
Second Revised Sheet No. 7H  
Cancels First Revised Sheet No. 7H

**Southwestern Colorado**  
**Sales Service Schedule of Rates**  
(Included in Base Rate Area 2)(1)

<u>Rate Schedule</u>	<u>Sheet Number</u>	<u>Type of Charge</u>	<u>Billing Units</u>	<u>Base Rates</u>	<u>DSMCA Rate (4)</u>	<u>Gas Cost Adjustment (2)</u>	<u>Total Rate</u>
R-2	9	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$10.00 \$0.2074	\$0.32 \$0.0066	-- \$0.7440	\$10.32 \$0.9580
SC-2	10	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$20.00 \$0.1427	\$0.54 \$0.0038	-- \$0.7440	\$20.54 \$0.8905
LC-2	11	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$100.00 \$0.1167	\$2.68 \$0.0031	-- \$0.7440	\$102.68 \$0.8638
ICD-2	12	Customer Charge (3) Volumetric Charge	Per Meter Therms	\$40.00 \$0.0700	\$1.07 \$0.0019	-- \$0.7440	\$41.07 \$0.8159

(1) Base Rate Area 1 is composed of Western Slope and North Central. Base Rate Area 2 is composed of North Eastern, Arkansas Valley and Southwestern.

(2) The Company has the following five GCA Rate Areas: North Eastern, Western Slope, North Central, Arkansas Valley, and Southwestern. The GCA rates shown on this tariff sheet are subject to adjustment for changes in Company's cost of gas as provided for by the Gas Cost Adjustment provisions on Sheet Nos. 37-39 of this Tariff. The above GCA rates reflect a gas cost adjustment as follows:

GCA Formula:

Current Gas Cost	+	Deferred Gas Cost	=	GCA
\$0.6673	+	\$0.0767	=	\$0.7440

(3) The Customer Charge shall be increased by \$40.00 per month for premises that avail themselves of the Extra Construction Allowance for the duration of the repayment period.

(4) Base rates under this Tariff are adjusted by the Demand Side Management Cost Adjustment per Tariff Sheet No. 13 summarized below:

<u>Rate Schedule</u>	<u>DSMCA %</u>	<u>DSMCA Monthly Rate</u>	<u>DSMCA Volumetric Rate</u>
R-2	3.16%	\$0.32	\$0.0066
SC-2	2.68%	\$0.54	\$0.0038
LC-2	2.68%	\$2.68	\$0.0031
ICD-2	2.68%	\$1.07	\$0.0019

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SourceGas Distribution LLC

Colo. PUC No. 7  
Second Revised Sheet No. 7I  
Cancels First Revised Sheet No. 7I

**Southwestern Colorado  
Sales Service Schedule of Rates  
(Included in Base Rate Area 2)**

**Rule 4406(b) Itemized Billing Units**

Gas Cost Adjustment (GCA)

<u>Rate Schedule</u>	<u>Distribution Charge Per Therm</u>	<u>Commodity Charge Per Therm</u>	<u>Upstream Pipeline Charge Per Therm</u>	<u>DSMCA Charge per Therm</u>	<u>Total Charge Per Therm</u>	<u>DSMCA Charge per Meter</u>	<u>Monthly Customer Charge Per Meter</u>
R-2	\$0.2074	\$0.6757	\$0.0683	\$0.0066	\$0.9580	\$0.32	\$10.00
SC-2	\$0.1427	\$0.6757	\$0.0683	\$0.0038	\$0.8905	\$0.54	\$20.00
LC-2	\$0.1167	\$0.6757	\$0.0683	\$0.0031	\$0.8638	\$2.68	\$100.00
ICD-2	\$0.0700	\$0.6757	\$0.0683	\$0.0019	\$0.8159	\$1.07	\$40.00

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SourceGas Distribution LLC

Colo. PUC No. 7  
Second Revised Sheet No. 9  
Cancels First Revised Sheet No. 9

SALES SERVICE RATE SCHEDULE

RESIDENTIAL SALES SERVICE

RATE SCHEDULE R (R-1, R-2)

APPLICABILITY

This Rate Schedule is applicable to all Residential Customers within the Company's service territory where natural gas is available. It is not applicable to Distribution Transportation Service or resale service.

RATE

Base Rate Area 1 Customers are located in the areas described on Sheet Nos. 5A and 5B. The applicable rates for Base Rate Area 1 are described on Sheet Nos. 7B through 7D.

Base Rate Area 2 Customers are located in the areas described on Sheet Nos. 5, 5C and 5D. The applicable rates for Base Rate Area 2 are described on Sheet Nos. 7, 7A and 7F through 7I.

FRANCHISE TAX SURCHARGE

Franchise taxes or charges imposed by any municipality will be surcharged only to the Customers of Company receiving service in such municipality. The appropriate franchise tax shall be applied to each Customer's charge and then set forth as a separate item, or surcharge, on that Customer's bill.

GAS COST ADJUSTMENT

This rate is subject to the Gas Cost Adjustment tariff commencing on Sheet No. 37.

DEMAND SIDE MANAGEMENT COST ADJUSTMENT

This rate is subject to the Demand Side Management Cost Adjustment tariff commencing on Sheet No. 13.

PAYMENT

Bills for gas service are due and payable 15 days from date of bill and service is subject to discontinuance pursuant to the Company's Rules and Regulations. If a Customer is disconnected for non-payment, Customer will be subject to Special Charges, including a Reconnection Charge. For Special Charges refer to Sheet No. 8.

RULES AND REGULATIONS

Natural gas service under this schedule is for the exclusive use of the Customer, and shall not be re-sold or shared by others. Service under this schedule is for the use of Residential Customers only. All services under this schedule are subject to the Company's applicable Rules and Regulations commencing on Sheet No. 40 and the General Terms and Conditions of this Tariff, together with such supplements thereto and revisions thereof as are from time-to-time in effect, provided that copies of all such rules shall be kept on file with the Public Utilities Commission of Colorado.

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Bentley W. Breland  
Issuing Officer

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SourceGas Distribution LLC

Colo. PUC No. 7  
Second Revised Sheet No. 10  
Cancels First Revised Sheet No. 10

SALES SERVICE RATE SCHEDULE

RESIDENTIAL SALES SERVICE

RATE SCHEDULE R (R-1, R-2)

APPLICABILITY

This Rate Schedule is applicable to all Residential Customers within the Company's service territory where natural gas is available. It is not applicable to Distribution Transportation Service or resale service.

RATE

Base Rate Area 1 Customers are located in the areas described on Sheet Nos. 5A and 5B. The applicable rates for Base Rate Area 1 are described on Sheet Nos. 7B through 7D.

Base Rate Area 2 Customers are located in the areas described on Sheet Nos. 5, 5C and 5D. The applicable rates for Base Rate Area 2 are described on Sheet Nos. 7, 7A and 7F through 7I.

FRANCHISE TAX SURCHARGE

Franchise taxes or charges imposed by any municipality will be surcharged only to the Customers of Company receiving service in such municipality. The appropriate franchise tax shall be applied to each Customer's charge and then set forth as a separate item, or surcharge, on that Customer's bill.

GAS COST ADJUSTMENT

This rate is subject to the Gas Cost Adjustment tariff commencing on Sheet No. 37.

DEMAND SIDE MANAGEMENT COST ADJUSTMENT

This rate is subject to the Demand Side Management Cost Adjustment tariff commencing on Sheet No. 13.

PAYMENT

Bills for gas service are due and payable 15 days from date of bill and service is subject to discontinuance pursuant to the Company's Rules and Regulations. If a Customer is disconnected for non-payment, Customer will be subject to Special Charges, including a Reconnection Charge. For Special Charges refer to Sheet No. 8.

RULES AND REGULATIONS

Natural gas service under this schedule is for the exclusive use of the Customer, and shall not be re-sold or shared by others. Service under this schedule is for the use of Residential Customers only. All services under this schedule are subject to the Company's applicable Rules and Regulations commencing on Sheet No. 40 and the General Terms and Conditions of this Tariff, together with such supplements thereto and revisions thereof as are from time-to-time in effect, provided that copies of all such rules shall be kept on file with the Public Utilities Commission of Colorado.

N

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Bentley W. Breland  
Issuing Officer

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Colo. PUC No. 7  
Second Revised Sheet No. 11  
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SALES SERVICE RATE SCHEDULE

LARGE COMMERCIAL SALES SERVICE  
(Greater than 5,000 therms per year)

RATE SCHEDULE LC (LC-1, LC-2)

APPLICABILITY

This Rate Schedule is applicable to all Large Commercial Customers within the Company's service territory where natural gas is available. It is not applicable to Distribution Transportation Service or resale service.

RATE

Base Rate Area 1 Customers are located in the areas described on Sheet Nos. 5A and 5B. The applicable rates for Base Rate Area 1 are described on Sheet Nos. 7B through 7D.

Base Rate Area 2 Customers are located in the areas described on Sheet Nos. 5, 5C and 5D. The applicable rates for Base Rate Area 2 are described on Sheet Nos. 7, 7A and 7F through 7I.

FRANCHISE TAX SURCHARGE

Franchise taxes or charges imposed by any municipality will be surcharged only to the Customers of Company receiving service in such municipality. The appropriate franchise tax shall be applied to each Customer's charge and then set forth as a separate item, or surcharge, on that Customer's bill.

GAS COST ADJUSTMENT

This rate is subject to the Gas Cost Adjustment tariff commencing on Sheet No. 37.

DEMAND SIDE MANAGEMENT COST ADJUSTMENT

This rate is subject to the Demand Side Management Cost Adjustment tariff commencing on Sheet No. 13.

PAYMENT

Bills for gas service are due and payable 15 days from date of bill and service is subject to discontinuance pursuant to the Company's Rules and Regulations. If a Customer is disconnected for non-payment, Customer will be subject to Special Charges, including a Reconnection Charge. For Special Charges refer to Sheet No. 8.

RULES AND REGULATIONS

Natural gas service under this schedule is for the exclusive use of the Customer, and shall not be re-sold or shared by others. Service under this schedule is for the use of Large Commercial Customers only. All services are subject to the Company's Rules and Regulations commencing on Sheet No. 40 and the General Terms and Conditions of this Tariff, together with such supplements thereto and revisions thereof as are from time-to-time in effect, and on file with the Public Utilities Commission of Colorado.

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Advice Letter No. 234

Bentley W. Breland  
Issuing Officer

Issue Date: February 2, 2009

Decision or  
Authority No.

Sr. Vice President  
Title

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SourceGas Distribution LLC

Colo. PUC No. 7  
Second Revised Sheet No. 12  
Cancels First Revised Sheet No. 12

SALES SERVICE RATE SCHEDULE

IRRIGATION, CROP DRYING OR SEASONAL SALES SERVICE

RATE SCHEDULE ICD (ICD-1, ICD-2)

APPLICABILITY

This Rate Schedule is applicable to all Irrigation and Crop Drying Customers within the Company's service territory where natural gas is available. Premises having residential services connected at the same premise shall be eligible for service under this rate schedule as long as the residential load connected constitutes a smaller portion of the entire connected load than the load connected for irrigation or crop drying. It is not applicable to Distribution Transportation Service or resale service. The Company's Irrigation Crop Drying or Seasonal Class shall also include seasonal customers. To be included in this class, seasonal customers must not consume natural gas from December 15 through March 15.

RATE

Base Rate Area 1 Customers are located in the areas described on Sheet Nos. 5A and 5B. The applicable rates for Base Rate Area 1 are described on Sheet Nos. 7B through 7D.

Base Rate Area 2 Customers are located in the areas described on Sheet Nos. 5, 5C and 5D. The applicable rates for Base Rate Area 2 are described on Sheet Nos. 7, 7A and 7F through 7I.

FRANCHISE TAX SURCHARGE

Franchise taxes or charges imposed by any municipality will be surcharged only to the Customers of Company receiving service in such municipality. The appropriate franchise tax shall be applied to each Customer's charge and then set forth as a separate item, or surcharge, on that Customer's bill.

GAS COST ADJUSTMENT

This rate is subject to the Gas Cost Adjustment tariff commencing on Sheet No. 37.

DEMAND SIDE MANAGEMENT COST ADJUSTMENT

This rate is subject to the Demand Side Management Cost Adjustment tariff commencing on Sheet No. 13.

PAYMENT

Bills for gas service are due and payable 15 days from date of bill and service is subject to discontinuance pursuant to the Company's Rules and Regulations. If a Customer is disconnected for non-payment, Customer will be subject to Special Charges, including a Reconnection Charge. For Special Charges refer to Sheet No. 8.

RULES AND REGULATIONS

Natural gas service under this schedule is for the exclusive use of the Customer, and shall not be re-sold or shared by others. Service under this schedule is primarily for the use of Irrigation, Crop Drying or Seasonal purposes only. All services are subject to the Company's Rules and Regulations commencing on Sheet No. 40 and the General Terms and Conditions of this Tariff, together with such supplements thereto and revisions thereof as are from time-to-time in effect, and on file with the Public Utilities Commission of Colorado

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Second Revised Sheet No. 13  
Cancels First Revised Sheet No. 13

SALES SERVICE SCHEDULE OF RATES  
DEMAND SIDE MANAGEMENT COST ADJUSTMENT

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1. APPLICABILITY. All Sales Service rate schedules for natural gas service are subject to a Demand Side Management Cost Adjustment ("DSMCA") designed to prospectively recover prudently incurred costs of Demand Side Management Programs ("DSM Programs") in accordance with Gas Demand Side Management Rules 4750 through 4760 of the Commission's Rules Regulating Gas Utilities and Pipeline Operators, 4 Code of Colorado Regulations 723-4 ("Gas DSM Rules"). The DSMCA Factor shall be separately calculated and applied to the Company's base rates for all applicable rate schedules and are as set forth on Sheet Nos. 7 through 7I. The Company shall recover the annual expenditures projected for that year over a one-year period with the DSMCA Factor for all years subsequent to the initial DSMCA Period ending June 30, 2010.
2. DSMCA FILING.
  - 2.1 On or after February 6, 2009, the Company shall place into effect a new DSMCA tariff pursuant to the Commission's final order on Company's 2009-10 DSM Plan and shall include DSM Costs incurred on and after February 6, 2009, plus any related DSM costs incurred by Company prior to February 6, 2009.
  - 2.2 Beginning April 1, 2010 and April 1<sup>st</sup> thereafter, the Company shall submit its annual DSM report, application for bonus and DSMCA filing. The Company will include in its annual DSMCA filing all pertinent information and support documentation as is required by the Commission's Rules and as specifically set forth in Gas DSM Rules 4757 and 4758. The Company may make periodic DSM Plan Filings, iter alia, which propose different expenditure targets for DSM Programs pursuant to the Gas DSM rules.
  - 2.3 The Company shall file a request to adjust its DSMCA Factor either through an application or an advice letter and tariffs. Prudently incurred costs of DSM programs within the DSM program expenditure target approved by the Commission in order to provide funding of the utility's DSM programs, as well as recovery of deferred DSMCA costs, plus any DSM bonus approved by the Commission, shall be recovered through the DSMCA Factor that is set on an annual basis, and collected from July 1 through June 30, for all years subsequent to the initial DSMCA Period ending June 30, 2010.
  - 2.4 If the projected DSM program costs have changed from those used to calculate the currently effective DSMCA cost or if a Company's deferred DSMCA cost balance increases or decreases sufficiently, the Company may file an application to revise its currently effective DSMCA factor to reflect such changes, provided that the resulting change to the DSMCA factor equates to a base rate change of at least one tenth of one cent (\$0.001) per therm. The Company has the burden of proof to justify any interim DSMCA filing with the next regularly scheduled annual DSMCA filing.

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3. DEFINITIONS AND TERMS

- 3.1 Deferred DSMCA Cost. Deferred DSMCA Cost means a rate component of the DSMCA Factor which is designed to amortize over the DSMCA Period, plus interest, the under- or over- recovery of costs accumulated during the previous DSMCA Period reflected in the Company's Account No. 186.
- 3.2 DSM Period. DSM Period means the effective period of an approved DSM Plan.
- 3.3 DSM Bonus. The amount of bonus approved by the Commission in the Company's annual DSM Bonus application as part of the annual report submitted to the Commission. Accounting for DSM bonus shall follow what has been prescribed for DSMCA costs, specifically in regard to interest on over- and under- recovery. A separate sub-account in Account No. 186 shall be created for any deferred DSM bonus amount.
- 3.4 Current DSM Costs. Prudently incurred costs of DSM programs within the DSM program expenditure target approved by the Commission in order to provide for funding of the utility's DSM programs.
- 3.5 DSM Interest. The amount of net interest accrued on the average monthly balance in gas DSM subaccounts of Account No. 186, whether positive or negative, as determined by multiplying the average monthly balance by an interest rate equal to the Company's Commission-authorized after tax weighted average cost of capital.
- 3.6 DSM Program. DSM Program means any combination of DSM measures, information and services offered to customers to reduce natural gas usage as approved by the Commission in the Company's DSM plan filings as required under the Gas DSM Rule 4753.
- 3.7 DSMCA Factor. The DSMCA Factor for each service class shall be a percentage adjustment applicable to all base rates for customers receiving service under the applicable rate schedules. A separate DSMCA Factor shall be calculated for the Residential Class and a Non-Residential Class consisting of all other rate schedules. The DSMCA Factor shall be calculated using the formula shown on Tariff Sheet No. 15 for both the Residential DSMCA Factor and the Non-Residential DSMCA Factor.
- 3.8 DSMCA Period. The DSMCA shall take effect July 1 of each year for a period of 12 months for all periods subsequent to the initial DSMCA Period ending June 30, 2010.
- 3.9 Interest on under- or over-recovery. The amount of net interest accrued on the average monthly balance in sub-accounts of Account No. 186 (whether positive or negative), is determined by multiplying the monthly balance by an interest rate equal to the Commission-authorized after-tax weighted average cost of capital.
- 3.10 Prudence review and adjustment of DSM bonus. If the Commission finds that the actual performance varies from performance values used to calculate the DSM bonus, then an adjustment shall be made to the amount of DSM bonus award. Any true-up in DSM bonus will be implemented on a prospective basis.

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SourceGas Distribution LLC

Colo. PUC No. 7  
Second Revised Sheet No. 15  
Cancels First Revised Sheet No. 15

SALES SERVICE SCHEDULE OF RATES  
DEMAND-SIDE MANAGEMENT COST ADJUSTMENT

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4. DSMCA Factor.

The DSMCA Factor shall be a percentage adjustment applicable to all base rates for customers receiving service under each rate schedule and shall be calculated as follows:

$$\text{DSMCA} = \frac{\text{DSM Cost} + \text{Deferred DSM Cost} + \text{DSM Bonus}}{\text{CCount} * \text{CCharge} + \text{Sales} * \text{Rate}}$$

Where :

- 1) Current DSM Cost is the forecasted cost of DSM Programs for applicable rate schedules in the DSMCA Period
- 2) Deferred DSM Cost is the positive or negative difference between the actual cost of DSM Programs and amounts collected from customers under the applicable rate schedules during the prior DSMCA Period
- 3) DSM Bonus is the allocated portion of the total DSM Bonus to the applicable rate schedules from the previous DSMCA Period
- 4) CCount is the Company's forecasted customer count under the applicable rate schedules for the DSMCA Period
- 5) CCharge is the Customer Charges applicable for the applicable rate schedules effective on the April 1 filing date
- 6) Sales is the Company's forecasted usage in therms for the applicable rate schedules in the following DSMCA Period
- 7) Rate is the Distribution Charge per therm applicable for the applicable rate schedules effective on the April 1 filing date
- 8) The DSMCA Factor will also include the current DSM bonus plus any adjustment necessary to previously approved DSM bonuses
- 9) Deferred DSMCA Cost includes sub-accounts of deferred amounts for DSM bonus and current DSM Cost for the applicable rate schedules

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Second Revised Sheet No. 16  
Cancels First Revised Sheet No. 16

SALES SERVICE SCHEDULE OF RATES  
DEMAND-SIDE MANAGEMENT COST ADJUSTMENT  
RATE RIDER SUMMARY TABLE

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Residential Service

R-1	2.10%
R-2	3.16%

Non-Residential Service

SC-1	1.76%
SC-2	2.68%
LC-1	1.76%
LC-2	2.68%
ICD-1	1.76%
ICD-2	2.68%

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Colo. PUC No. 7  
Second Revised Sheet No. 017-028  
Cancels First Revised Sheet No. 017-028

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