

Decision No. C03-0467-E

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 03A-135SG

IN THE MATTER OF THE APPLICATION OF COLORADO NATURAL GAS, INC. FOR AN ORDER AUTHORIZING COLORADO NATURAL GAS, INC. TO: 1) ISSUE UP TO \$3,600,000 IN BONDS; 2) ISSUE UP TO 31,150 SHARES OF CLASS A COMMON STOCK; AND 3) TO REDEEM ALL OR A PORTION OF ITS PREFERRED STOCK, AS THE COMPANY MAY DETERMINE.

ERRATA NOTICE

**ORDER OF THE COMMISSION
GRANTING APPLICATION**

Mailed Date: May 9, 2003
Adopted Date: May 2, 2003
Errata Mailed Date: May 13, 2003

In Commission Decision No. C03-0467 in the Findings of Fact section, ¶ I.B.20., correct the internal reference in the second sentence from “Paragraph No. 5” to “Paragraph No. 13” so that

¶ I.B.20. reads as shown here:

20. Commission approval of a securities transaction that directly results in a lien on gross revenues is likely limited to applications by CNG. Without specifically deciding whether it is good public policy to continue to approve the entry by a utility into a securities transaction that results in a gross revenue lien, in whole or in part, on the debt issuance, the Commission accepts the practice by CNG in this case for the reasons stated in Paragraph No. 13 of these Findings of Fact with the expectation that the necessity to do so decreases over time. The Commission notes that in the future, it may impose limitations and restrictions on subsequent securities issuances secured by liens.

The referenced Paragraph No. 13 of the Findings of Fact is restated below for verification purposes:

13. From its beginning in 1996, CNG has operated under somewhat different circumstances than the typical Colorado natural gas public utility. One such significant difference is that CNG operates primarily in mountainous areas of the

state that are expensive to serve. Another significant difference is that CNG continues to expand within its service territory. Other differences are delineated in the stipulation attached to Docket No. 96A-107G, which docket granted to CNG a certificate of public convenience and necessity. Another difference is that CNG's debt and equity financing come from securities that are not publicly traded. This fourth difference means that CNG's operating and financing circumstances may utilize variations in financing vehicles that perhaps are not often used by other companies.

S E A L

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

BRUCE N. SMITH

Director

Dated at Denver, Colorado this
13th day of May, 2003.