

SourceGas Distribution LLC
Percentage of Income Payment Plan
2012 PIPP Form of Notice
Appendix 8
Page 1 of 1

[Date of Notice]

SourceGas Distribution LLC (the "Company") recently filed an application with the Public Utilities Commission of the State of Colorado (the "Commission") affecting all customers taking service from the Company. The application requests that the Commission approve the proposed Percentage of Income Payment Plan ("PIPP") and the Percentage of Income Payment Plan Cost Adjustment (PIPPCA") that covers the associated estimated PIPP costs for Phase I of the PIPP. The proposed tariffs contained in the application will become effective on August 1, 2012, if approved by the Commission.

This application is filed pursuant to the Commission's Rule 4412 to implement the PIPP and recover estimated associated costs to be incurred by the Company in the amount of \$271,802 from the Company's Colorado customers during Phase I of the PIPP. PIPP costs are required to be incurred by Commission Rule 4412.

If the Company's proposal is approved, an average residential customer's monthly bill is estimated to increase by \$0.20, or 0.20% in Base Rate Area 1 and 0.35% in Base Rate Area 2. An average Small Commercial customer is estimated to see a monthly bill increase of \$0.35, or 0.28% in Base Rate Area 1; and 0.41% in Base Rate Area 2.

The proposed monthly charges by class for the PIPPCA are as follows:

Residential	\$0.20
Small Commercial	\$0.35
Large Commercial	\$1.84
Irrigation, Crop Drying and Seasonal	\$2.25

During the thirty-day period prior to the effective date of the proposed changes, the Company's customers may call 800-563-0012 to obtain information concerning how the changes will affect them. All of the foregoing revisions are discussed in detail in the Company's Application filed on April 18, 2012. Copies of the filing are available at the Company website (<http://www.sourcegas.com>) or at the main office:

SourceGas Distribution LLC
600 12th Street, Suite 300
Golden, CO 80401
1-800-563-0012

Copies of the Company's filing also are available for examination at the offices of the Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado, 80202, 1-800-888-0170. Anyone who desires may file a written objection with the Commission at the same address. The filing of a written objection by itself will not allow you to participate as a party in any proceeding on the proposed action. If you wish to participate as a party in any proceeding established in this matter, you must file written intervention documents under applicable rules. Anyone who desires to file written objection to the proposed action shall file it with the Colorado Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado, 80202. The Public Utilities Commission may hold a hearing to determine what rates, rules or regulations will be authorized. If a hearing is held, the Commission may suspend the proposed rates, rules or regulations. The rates, rules and regulations ultimately authorized may or may not be the same as those proposed. Any person desiring information regarding if and when hearings may be held shall submit a written request to the Commission or, alternatively, shall contact the External Affairs section of the Commission at its local phone number at (303) 894-2000 or toll-free at (800) 888-0171.

By: /s/James M. Elliott

James M. Elliott
Manager, Regulatory Affairs