

Schedule of Rates
for
Natural Gas Service
Available
In the Entire Territory Served By
SourceGas Distribution LLC

Communications Concerning This Tariff Should Be Addressed To:

Bentley W. Breland
Senior Vice President, Regulatory Affairs
SourceGas Distribution LLC
370 Van Gordon Street, Suite 4000
Lakewood, CO 80228
(303) 243-3400

Supersedes in its entirety:
Kinder Morgan, Inc.'s
Tariff
Colorado P.U.C. Volume No. 6

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INDEX

INFORMATION SHEET

Description

- 1. This Colorado PUC No. 7 Tariff of SourceGas Distribution LLC (“the Company”) includes general terms and conditions, rate schedules and forms of agreements for the services provided by the Company in accordance with the Colorado Public Utilities Commission’s Rules Regulating Gas Utilities and Pipeline Operators. To the extent the provisions of these Rules and Regulations are inconsistent with the Commission’s Rules, the Commission’s Rules shall govern, unless a waiver of those rules is in place. Sections of this Tariff may be referred to as “rules.”
- 2. The base rates derived for the North Eastern Colorado, North Central Colorado, Western Slope, Arkansas Valley and Southwestern rate areas are based on different cost structures and rates of return. The current base rates were approved as follows:
 - 1. North Eastern Colorado By operation of law in (KN Energy) Advice Letter No. 132.
 - 2. North Central Colorado CPUC Decision No. R94-1046
 - 3. Western Slope CPUC Decision No. R94-1046
 - 4. Arkansas Valley and
Southwestern Divisions 1/ CPUC Decision No. R90-1587

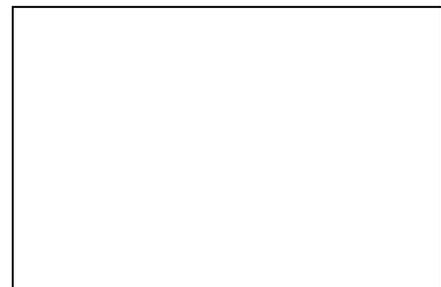
1/ Arkansas Valley and Southwestern Divisions were formerly governed by the Company’s Colorado PUC No. 11 tariff and were referred to in that tariff as The Arkansas Valley and Western Slope, respectively.

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INDEX

<u>Description</u>	<u>Sheet No.</u>
Title Page	0
Information Sheet.....	1
Index	2
Billing Rate Schedule Code Conversions	3A
SALES SERVICES	
List of Territories Served in Northeastern Colorado.....	5
Sales Service Schedule of Rates – Northeastern Colorado	6
Schedule of Special Charges	8
General Gas Service – Northeastern Colorado – Schedule GGS-1	9
Interruptible Service – North Eastern Colorado – Schedule IIC-1	10
General Gas Service – North Eastern Colorado – Schedule GGS-2	11
General Gas Service – North Eastern Colorado – Schedule GGS-3	12
General Gas Service – North Eastern Colorado – Schedule GGS-4	14
Irrigation Gas Service – North Eastern Colorado – Schedule GGS-5.....	15
Lease Production and Treatment of Oil – North Eastern Colorado – Schedule GGS-6.....	18
Alfalfa Dehydration – North Eastern Colorado – Schedule GGS-7.....	22
List of Territories Served on Western Slope & North Central Colorado	26
Sales Service Schedule of Rates – Western Slope & North Central Colorado.....	27
Residential & Commercial Service - North Central, Schedule E-1.....	30
Interruptible Service, Off-Peak - North Central, Schedule E-2.....	31
Residential Service - Western Slope, Schedule D-1R.....	32
Commercial Service - Western Slope, Schedule D-1C	33
Interruptible Service - Western Slope, Schedule D-2.....	34
Interruptible Service, Off-Peak - Western Slope, Schedule D-10.....	35
Interruptible Service - Western Slope and North Central, Schedule I-5	36



Advice Letter No. 227

Bentley W. Breland
 Issuing Officer

Issue Date: February 20, 2008

Decision or
 Authority No.

Sr. Vice President
 Title

Effective Date: February 29, 2008

INDEX – cont.

<u>Description</u>	<u>Sheet No.</u>
Gas Cost Adjustment Accounting Requirements (North Eastern, Western Slope and North Central Colorado)	36A
List of Territories Served in the Arkansas Valley and Southwestern Divisions.....	36B
Sales Service Schedule of Rates – Arkansas Valley and Southwestern Divisions.....	36B.01
General Service – Arkansas Valley Division – Schedule GS-1	36D
General Service – Southwestern Division – Schedule GS-3	36E
Large Industrial Service – Arkansas Valley Division – Schedule LI-1	36F
Large Industrial Service – Southwestern Division – Schedule LI-2	36H
Special Industrial Service – Arkansas Valley Division – Schedule SI-1	36J
Special Contract Service – SC-1	36L
Gas Cost Adjustment (North Eastern Colorado)	37
Gas Cost Adjustment (Western Slope, North Central, Arkansas Valley and Southwestern Divisions)	39A
Litigated Settlement Special Rate Surcharge (LSSRS)	39D
SALES SERVICE RATE SCHEDULE	40
1. Request for Service	40
2. The Customer.....	40
3. Customer Deposits	41
4. Information to Customers	43
5. Reserved for Future Use	43
6. Bills, Duplicate Bills, Failure to Receive Bills	44
7. Budget Billing Plan.....	44
8. Billing and Payment.....	45
9. Conditions for Refusal of or Discontinuance of Service.....	49
10. Customer Piping, Fixtures and Appliances.....	66



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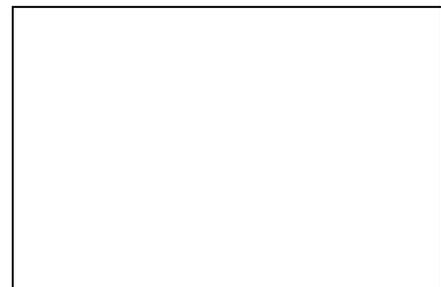
SALES SERVICE RATE SCHEDULE (CONT.)

11. Delivery of Pressure of Gas	67
12. Heating Value of Gas	67
13. Inaccuracy of Registration and Meter Failure	67
14. Customer Meter Test Requests	68
15. Inspection by Company	68
16. Liability	69
17. Interruption of Service	69
18. Company and Customer Piping	70
19. Customer Service Connection, Service Line and Main Extension Policy	72
20. Temporary Service	75
21. Pipelines Other Than the Company's	75
22. Alteration of Rules and Regulations	75
23. Tax Adjustment	76
24. Gas Meter Testing	76
25. Excess Flow Valves	76
26. General Terms and Conditions	76A
27. Conversion to Distribution Transportation Service	77

DISTRIBUTION TRANSPORTATION SERVICE

Schedules of Rates:

GT-1 Arkansas Valley and Southwestern Divisions (Related to Rate Schedules GS-1, GS-3, LI-1, LI-2, SI-1)	77A
GTS-1 North Eastern Colorado (Related to Rate Schedules GGS-1, GGS-2, GGS-3, GGS-4, GGS-5, GGS-6, GGS-7)	78
Western Slope and North Central Colorado (Related to Rate Schedules E-1, E-2, D-1R, D-1C, D-2, D-10)	79
Distribution Transportation Service Rate Schedule	82
Form of Distribution Transportation Service Agreement	95
Form of Distribution Transportation Service Request	101
Form of Credit Application	104C



INDEX – cont.

<u>Description</u>	<u>Sheet No.</u>
GENERAL TERMS & CONDITIONS	105
1. Application.....	105
2. Definitions.....	105
3. Quality	111
4. Measurements	113
5. Measuring Equipment.....	115
6. Meter Tests & Adjustments.....	116
7. Billing	117
8. Payments	118
9. Operations by Buyer and Company	119
10. Reserved for Future Use.....	119
11. Reserved for Future Use.....	119
12. Reserved for Future Use.....	119
13. Possession of Gas.....	119
14. Pressure	120
15. Warranty of Title of Gas	120
16. Limitations on Obligations.....	120
17. Liability.....	128
18. Remedies.....	128
19. Duly Constituted Authorities	128
20. Notices	129
21. Operational Controls	130

SYMBOL LEGEND

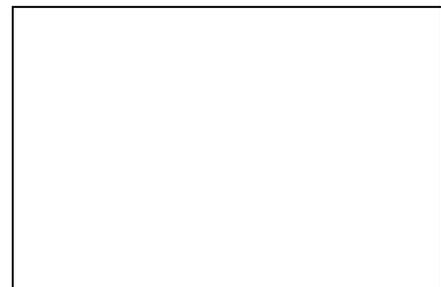
- C – Change in text due to a changed regulation, term or condition, which does not affect rates
- D – Discontinued service or deleted material
- I – Rate Increase
- R – Rate Reduction
- M – Material moved from or to another part of the tariff
- N – New material, including new products, rates, terms, or conditions
- T – Change in text not related to changes in rates, charges, terms, or conditions



BILLING RATE SCHEDULE CODE CONVERSIONS

The following Rate Schedule codes (Column 1) found on Customer bills correspond with the Rate Schedule abbreviations found in this Tariff (Column 2).

<u>Billing Rate Schedule</u>	<u>Tariff Sheet</u>
D-1C	27
D-1R	27
D-2	27
E-1	27
GG-1	6
GG-2	6
GG-3	6
GG-4	6
GG-5	6
GG-6	6
GG-7	6
GS-1	36B.02
GS-3	36B.02
GT-1	36B.02
LI-1	36B.02
LI-2	36B.02
S-1	36B.02
SI-1	36B.02



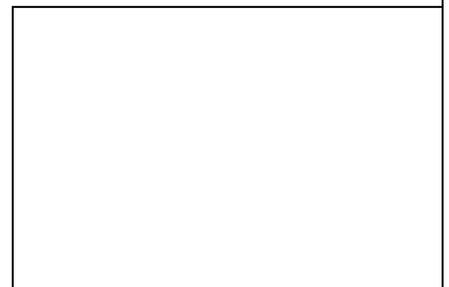
North Eastern Colorado
(General Service Classification)

Rate Schedules GGS-1, GGS-2, GGS-3, GGS-4, GGS-5, GGS-6, GGS-7
(Rate Title or Number)

T

Rider No. 1, to Sheet Nos. 9, 11, 12, 14, 15, 18, and 22.

The price of gas under each of the rate schedules on the above numbered sheets is increased 1.216 percent until the repeal or expiration of the 5% federal income tax surcharge imposed by the Tax Reform Act of 1969. (P.U.C. Decision No. 74073 effective January 1, 1970)



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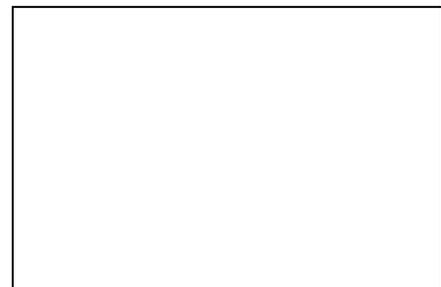
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**North Eastern Colorado
 LIST OF TERRITORIES SERVED**

Under Rate Schedules
 GGS-1, GGS-2, GGS-3, GGS-4, GGS-5, GGS-6, GGS-7

Natural gas service is supplied in the following cities, towns and communities and/or adjacent fringe and rural territories, as well as certain rural areas located in Cheyenne, Morgan and Weld Counties. For rates available see Tariff Sheets 6 and 7.

<u>Locality</u>	<u>Rate Area</u>	<u>County</u>
Julesburg	Northeastern	Sedgwick
Ovid	Northeastern	Sedgwick
Akron	Northeastern	Washington
Eckley	Northeastern	Yuma
Fleming	Northeastern	Logan
Haxtun	Northeastern	Phillips
Holyoke	Northeastern	Yuma
Iliff	Northeastern	Logan
Otis	Northeastern	Washington
Paoli	Northeastern	Phillips
Wray	Northeastern	Yuma
Yuma	Northeastern	Yuma



(North Eastern Colorado)
Sales Service Schedule of Rates

<u>Rate Schedule</u>	<u>Base Tariff Rate</u>	<u>Gas Cost Adjustment</u>	<u>Rate After Adjustment</u>
GGG-1 Customer Charge (Per meter per month)	3.400	--	3.400
GGG-1 All Volumes (\$ per Mcf)	3.877	3.851	7.728
GGG-2 Customer Charge (Per meter per month)	3.400	--	3.400
GGG-2 All Volumes (\$ per Mcf)	3.996	3.851	7.847
GGG-3 Customer Charge (Per meter per month)	5.900	--	5.900
GGG-3 All Volumes (\$ per Mcf)	4.017	3.851	7.868
GGG-4 Customer Charge (Per meter per month)	5.900	--	5.900
GGG-4 All Volumes (\$ per Mcf)	3.807	3.851	7.658
GGG-5 Minimum Charge (Per meter per year)	36.000	--	36.000
GGG-5 All Volumes (\$ per Mcf)	3.697	3.851	7.548
GGG-6 Minimum Charge (Per meter per month)	10.000	--	10.000
GGG-6 All Volumes (\$ per Mcf)	3.697	3.851	7.548
GGG-7 Minimum Charge (None)	0.000	--	0.000
GGG-7 All Volumes (\$ per Mcf)	3.697	3.851	7.548

The rates shown on this tariff sheet are subject to adjustment for changes in Company's cost of gas as provided for by the Gas Supply Cost Adjustment provisions on sheet nos. 37-39 of this Tariff. The above rates reflect a gas cost as follows:

Base Gas Cost		2.665		3.851		6.516
---------------	--	-------	--	-------	--	-------

GCA Formula:

Current Gas Cost	+		-	Base Gas Cost	=	GCA
7.266	+	(0.750)	-	2.665	=	3.851

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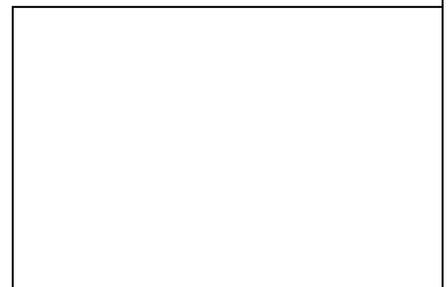
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North Eastern Colorado
 Sales Service Schedule of Rates

<u>Rate Schedule</u>	<u>Commodity Charge 1/</u> \$	<u>Distribution Charge 1/</u> \$	<u>Upstream Pipeline Charge</u> 1/ \$	<u>Total Commodity Charge 1/</u> \$	<u>Customer Charge 2/</u> \$
GGs-1	0.5549	0.1212	0.0967	0.7728	3.40
GGs-2	0.5549	0.1331	0.0967	0.7847	3.40
GGs-3	0.5549	0.1352	0.0967	0.7868	5.90
GGs-4	0.5549	0.1142	0.0967	0.7658	5.90
GGs-5	0.5549	0.1032	0.0967	0.7548	36.00
GGs-6	0.5549	0.1032	0.0967	0.7548	10.00
GGs-7	0.5549	0.1032	0.0967	0.7548	0.00

1/ per ccf delivered

2/ Monthly Charge per Meter



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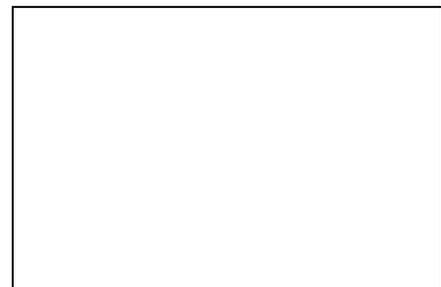
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SCHEDULE OF SPECIAL CHARGES
 Applicable to All Service Areas and All Rate Schedules

This schedule is to list the Special Charges referred to in the General Rules and Regulations. These Special Charges apply to all Customer s utilizing the services of the Company as defined and described in the General Rules and Regulations.

<u>Sheet Reference</u>	<u>Description</u>	<u>Charge</u>	
47	Reconnection Charge	\$33.00	during normal business hours
		\$49.50	after normal business hours
		\$66.00	weekends and holidays
47	Bill Collection Charge	\$ 8.25	
47	Insufficient Funds Check Charge	\$16.50	
47	New Service Charge	\$15.00	
68	Meter Test Charge	\$66.00	per meter test
	Standard Hourly Service Charge For Regulated Special Charges	\$33.00	



(North Eastern Colorado)
GENERAL GAS SERVICE

DOMESTIC AND FIRM COMMERCIAL RATE

RATE SCHEDULE G G S - 1

(Rate Title or Number)

T

Schedule applicable to customers in the municipalities or villages of Julesburg and Ovid and rural areas adjacent thereto.

Availability

Any metered consumer adjacent to the Company's mains using standard gas service

Rate

As stated on Sheet No. 6.

Customer Charge

Per meter installed per month, equal to the customer charge as stated on Sheet No. 7.

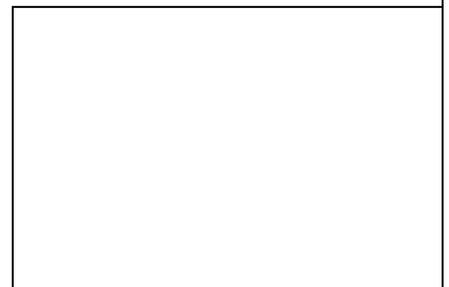
Heat Content

As stated in Section 11 of Sales Service.

Payment

All bills net.

Bills will be rendered at monthly intervals, will be due and payable within ten (10) days of billing date.



(North Eastern Colorado)
INTERRUPTIBLE INDUSTRIAL CONTRACT (MONFORT)

RATE SCHEDULE IIC-1

(Rate Title or Number)

Availability

Available to Monfort of Colorado, Inc. for its feedlot operations located near Yuma, Colorado, in accordance with the terms and conditions of the Industrial Gas Sales and Pipeline Agreement between the Company and Customer effective June 15, 1987, and any subsequent contract amendments, supplements or replacements which the Company and Customer may enter into.

Rate

All volumes per contract.

Minimum

Per contract.

Rules and Regulations

Service under this schedule shall be subject to the rules and orders of the Public Utilities Commission of the State of Colorado and the terms and conditions of the currently effective contract for such service between the Company and Customer not in conflict therewith.



(North Eastern Colorado)
GENERAL GAS SERVICE

DOMESTIC AND FIRM COMMERCIAL RATE

RATE SCHEDULE GGS-2

(Rate Title or Number)

T

Schedule applicable to customers in the municipalities or villages of Akron, Eckley, Fleming, Haxtun, Hereford, Holyoke, Iliff, Otis, Paoli, Wray, Yuma, rural areas adjacent thereto; portions of Township 13 North – Range 41 West and Range 42 West, Township 14 North – Range 41 West and Range 42 West, Township 15 North – Range 41 West and Range 42 West, all in Cheyenne County, Colorado; and certain rural areas in Township 3 North – Range 59 West, Township 4 North – Ranges 59 and 60 West, and Township 5 North – Ranges 59 and 60 West, all in Morgan County, Colorado.

Availability

Any metered consumer adjacent to the Company’s mains using standard gas service.

Rate

As stated on Sheet No. 6.

Customer Charge

Per meter installed per month, equal to the customer charge as stated on Sheet No. 7.

Heat Content

As stated in Section 11 of the Sales Service Terms & Conditions.

Payment

All bills net.

Bills will be rendered at monthly intervals, will be due and payable within ten (10) days of billing date.



(North Eastern Colorado)
GENERAL GAS SERVICE

COMBINATION SPACE HEATING, IRRIGATION, AND GRAIN DRYING

RATE SCHEDULE GGS-3

(Rate Title or Number)

Schedule applicable to farm customers using natural gas both for domestic use and for farm irrigation or grain drying, except those customers in the area to which Schedule GGS-4 is applicable.

Availability

Any rural customer desiring natural gas services for domestic use and for pumping water for farm irrigation or grain drying.

Rate

As stated on Sheet No. 6.

In addition to the above rate, each customer served in the following described area is required to pay a contribution in aid of construction of 100 per Mcf until the cost of the transmission line from Big Springs, Nebraska to Imperial, Nebraska is reimbursed to the Company by customers served from the line:

PHILLIPS COUNTY

- T6N, R42W Sections 5 through 8, 17 and 18.
- T6N, R43W Sections 1 through 4 and 9 through 16.
- T7N, R42W Sections 5 through 8, 17 through 20, and 29 through 32.
- T7N, R43W Sections 1 through 4, 9 through 16, 21 through 28, and 33 through 36.
- T8N, R42W Sections 5 through 8, 17 through 20, and 29 through 32.
- T8N, R43W Sections 1 through 4, 9 through 16, 21 through 28 and 33 through 36.
- T9N, R42W Sections 19, 20 and 29 through 32.
- T9N, R43W Sections 20 through 29 and 32 through 36.

SEDGWICK COUNTY

- T 9N, R42W Sections 5 through 8, 17 and 18.
- T 9N, R43W Sections 1 through 5 and 8 through 17.
- T10N, R42W Sections 5 through 8, 17 through 20, and 29 through 32.
- T10N, R43W Sections 1 through 5, 8 through 17, 20 through 29, and 32 through 36.



(North Eastern Colorado)
GENERAL GAS SERVICE

COMBINATION SPACE HEATING, IRRIGATION, AND GRAIN DRYING

RATE SCHEDULE GGS-3
(Rate Title or Number)

T11N, R42W Sections 5 through 8, 17 through 20, and 29 through 32.
T11N, R43W Sections 1 through 5, 8 through 17, 20 through 29
and 32 through 36.
T12N, R42W Sections 19, 20 and 29 through 32.
T12N, R43W Sections 20 through 29 and 32 through 36

Customer Charge

Per meter installed per month, equal to the customer charge as stated on Sheet No. 7.

Heat Content

As stated in Section 11 of the Sales Service Terms & Conditions.

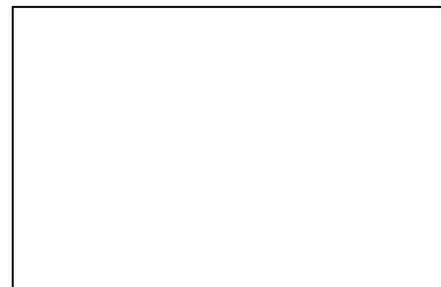
Payment

All bills net.

Bills will be rendered at monthly intervals, will be due and payable within ten (10) days of billing date.

Curtailement

The Company in its absolute discretion and without liability to Customer for damages or otherwise shall have the right at any time with or without notice to curtail in whole or in part delivery of natural gas to Customer for conservation of gas for use having higher priority of service, whether because of lack of supply, diminution of reserves, or any other reason



T

(North Eastern Colorado)
GENERAL GAS SERVICE

COMBINATION SPACE HEATING, IRRIGATION, AND GRAIN DRYING

RATE SCHEDULE GGS-4

(Rate Title or Number)

Schedule applicable to rural customers adjacent to Colorado Interstate Gas Company Pipeline which runs from the west boundary of Section 30, T12N, R62W to the east Boundary of Section 22, T12N, R60W, and to rural customers adjacent to the Company's Pipeline which runs from the west boundary to the north boundary of Section 23, T12N, R60W, all in Weld County, Colorado.

Availability

Any rural customer desiring natural gas service for domestic use and for Pumping Water for farm irrigation or grain drying.

Rate

As stated on Sheet No. 6.

Customer Charge

Per meter installed per month, equal to the customer charge as stated on Sheet No. 7.

Heat Content

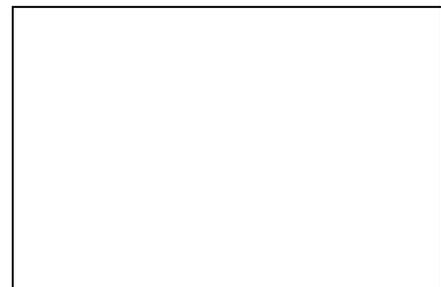
As stated in Section 11 of the Sales Service Terms & Conditions.

Unit of Measurement

The unit of measurement for billing shall be one (1) cubic foot of gas at sixty degrees (60°) Fahrenheit and absolute pressure of 13.25 pounds per square inch at the place of measurement the atmospheric pressure is assumed to be 13.0 pounds per square inch.

Curtailement

The Company in its absolute discretion and without liability to Customer for damages or otherwise shall have the right at any time with or without notice to curtail in whole or part delivery of natural gas to customer for conservation of gas for use having higher priority of service, whether because of lack of supply, diminution of reserves, or any other reason.



T

(North Eastern Colorado)
IRRIGATION

IRRIGATION GAS SERVICE RATE

RATE SCHEDULE GGS-5

(Rate Title or Number)

T

Availability

Available for farm irrigation purposes only to customers who were receiving irrigation gas service under schedule GGS-5 on July 31, 1971, and the successors and assigns of such customers, and only at those locations where such customers were purchasing gas under Schedule GGS-5 on July 31, 1971.

Rate

As stated on Sheet No. 6.

Minimum Charge

Per meter installed per year, equal to the minimum charge as stated on Sheet No. 7.

Heat Content

As stated in Section 11 of the Sales Service Terms & Conditions.

Payment

All bills net.

Bills will be rendered at monthly intervals, will be due and payable within ten (10) days of billing date.

Other Clauses and Conditions

Service under this schedule shall be subject to the conditions of service attached hereto, marked Annex 1 and made a part of this schedule.



Rules, Regulations or Extension Policy

ANNEX 1 – CONDITIONS OF SERVICE – NO. GGS-5

1. Buyer, without charges to Company, shall furnish site and housing for meter and regulator and right-of-way over Buyer’s premises for pipeline thereto, and accord Company unrestricted access to, and the right to remove line and equipment within ten days after termination of service, free of liens, charges or claims.
2. Delivery of gas shall be at the outlet side of metering and regulating station of Company to be located adjacent to its existing lines, or at a mutually agreed location. The gas shall be measured at said site by meter or meters of standard type installed and maintained by Company.

If any meter becomes inoperative or manifestly in error, the quantity of gas delivered through it during the period inoperative or in error shall be determined according to Company’s usual practice. Any meter found upon test to register not more than 2% fast or slow shall be deemed correct. If found to register more than 2% fast or slow, the calculated deliveries shall be increased or decreased to compensate for such error for such period, not exceeding six months, as definitely known or agreed upon, or, if not known or agreed upon, then for the period since the last meter test, but not exceeding six months.

3. The unit of measurement for billing shall be one cubic foot of gas at a temperature of sixty (60) degrees Fahrenheit and an absolute pressure of 13.25 pounds per square inch. At the place of measurement the atmospheric pressure is assumed to be 13.0 pounds per square inch.

For the determination of the BTU content of the gas, a cubic foot of gas means that amount of gas which when saturated with water vapor at a temperature of sixty degrees (60°) Fahrenheit and subjected to an absolute pressure equal to thirty inches (30”) of mercury, at thirty-two degrees (32°) Fahrenheit, (14.73 pounds per square inch) occupies a volume of one (1) cubic foot.

4. Title to the gas shall pass to Buyer at point of delivery specified in Section 2, and thereafter sole responsibility and liability in relation thereto shall rest upon Buyer.

Buyer agrees to save harmless Company from loss, damage, expense, liability and claims from any cause from or in connection with construction, maintenance or operation of lines, regulators, equipment or appliances of or maintained or operated by Buyer.



Rules, Regulations or Extension Policy

ANNEX 1 – CONDITIONS OF SERVICE – NO. GGS-5

the Company agrees to save harmless Buyer from loss, damage, expense, liability and claims from any cause from or in connection with lines, equipment or appliances of the Company up to said point of delivery.

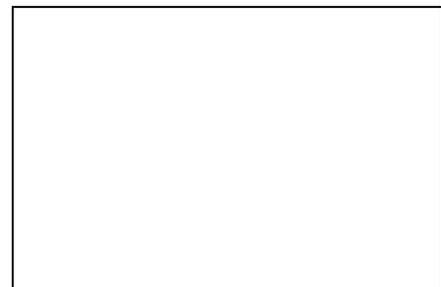
5. The Company shall not be liable to Buyer in damages or otherwise for any failure to diminution in delivery of gas in consequence of accident to or breakage of pipelines or equipment, fires, floods, freeing, storms, earthquakes, strikes, riots, explosions, legal interferences, orders or requirements of competent authority, acts of God or the public enemy, depletion or destruction of gas wells or fields, diminution or failure of or interference with the Company's source of supply, priority requirements or (and without limitation by enumeration) any other cause beyond reasonable control of the Company.

The Company in its absolute discretion and without liability to the Customer for damages or otherwise shall have the right at any time with or without notice to curtail in whole or in part delivery of natural gas to the Customer for conservation of gas for use having higher priority of service, whether because of lack of supply, diminution of reserves or any other reason.

Buyer agrees in event of failure, diminution or curtailment in delivery of gas that Buyer at its own expense will resort to other fuels for the period of such failure, diminution or curtailment.

6. Bills will be rendered at monthly intervals and will be due and payable within ten (10) days of billing date.

7. To the total monthly bill computed under the rate schedule, the Company shall have the right to add all or part of any production, severance, transportation, pipeline, occupation, sales or other excise or similar tax now or hereafter imposed by any lawful authority upon or in respect to the production, severance, transportation and/or sale of natural gas sold by the Company to Buyer hereunder if and to the extent that any such tax shall be payable by the Company, whether under direct imposition or pursuant to present or future contract obligation, or otherwise.



(North Eastern Colorado)
OIL FIELD

LEASE PRODUCTION AND TREATMENT OF OIL RATE

RATE SCHEDULE GGS-6

(Rate Title or Number)

T

Schedule applicable to producers of oil, adjacent to pipeline of the Company, for the pumping of oil and treatment thereof on the lease premises.

Availability

Available to all customers desiring natural gas for the pumping of oil and the treatment thereof.

Rate

As stated on Sheet No. 6.

Minimum Charge

Per meter installed per month, equal to the minimum charge as stated on Sheet No. 7.

Heat Content

As stated in Section 11 of the Sales Service Terms & Conditions.

Payment

All bills net.

Bills will be rendered at monthly intervals, will be due and payable within ten (10) days of billing date.

Other Clauses and Conditions

Various provisions are set forth in Annex 1, which is incorporated herein and made a part hereof the same as though set forth in full herein.



Rules, Regulations or Extension Policy

ANNEX 1 – CONDITIONS OF SERVICE – SCHEDULE GGS-6

1. The Company shall install a tap, meter and regulator at a mutually agreeable location on its gathering line adjacent to Buyer's leases and the costs of installing said tap, meter and regulator shall be borne entirely by Buyer. All service line from the outlet side of said meter shall be installed and furnished by Buyer.

2. Bills will be rendered at monthly intervals and will be due and payable within ten (10) days of billing date.

3. Delivery of gas hereunder shall commence upon the installation of the meter provided for above, and upon Buyer being equipped to take gas at said delivery point. It is understood that gas to be furnished Buyer hereunder is solely for Buyer's own use in the operation of Buyer's leases and under no condition shall said gas be resold by Buyer. If any gas furnished Buyer is resold, service will be terminated.

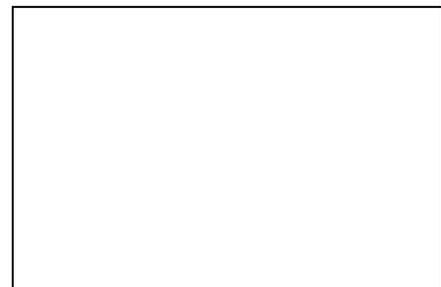
4. It is understood and agreed that gas delivered hereunder shall be in its natural state as found in the Company's said gathering line and the Company shall be under no obligation to treat or process said gas prior to delivery thereof to Buyer.

5. Service furnished Buyer hereunder shall be subject to the following terms and conditions:

- (a) The unit of measurement for billing shall be one cubic foot of gas at sixty degrees (60°) Fahrenheit and absolute pressure of 13.25 pounds per square inch. At the place of measurement the atmospheric pressure is assumed to be 13.0 pounds per square inch.

For the determination of the BTU content of the gas, a cubic foot of gas means that amount of gas which when saturated with water vapor at a temperature of sixty degrees (60°) Fahrenheit and subjected to an absolute pressure equal to thirty inches (30") of mercury, at thirty-two degrees (32°) Fahrenheit, (14.73 pounds per square inch) occupies a volume of one (1) cubic foot.

- (b) Title to the gas shall pass to Buyer at point of delivery, and thereafter-sole responsibility



Rules, Regulations or Extension Policy

ANNEX 1 – CONDITIONS OF SERVICE – SCHEDULE GGS-6

and liability in relation thereto shall rest upon Buyer. Buyer agrees to save harmless the Company from loss, damage, expense, liability and claim from any cause from or in connection with construction, maintenance or operation of lines, regulators, or equipment of or maintained or operated by Buyer. The Company agrees to save harmless Buyer from loss, damage, expense, liability and claims from any cause from or in connection with lines, equipment or appliances of the Company up to said point of delivery.

(c) The Company shall not be liable to Buyer in damages or otherwise for any failure or diminution in delivery of gas in consequence of accident to or breakage of pipelines or equipment, fires, floods, freezing, storms, earthquakes, strikes, riots, explosions, legal interferences, orders or requirements of competent authority, acts of God or the public enemy, depletion or destruction of gas wells or fields, diminution or failure of or interference with the Company’s source of supply, priority requirements or (and without limitation by enumeration) any other cause beyond reasonable control of the Company.

The Company in its absolute discretion and without liability to Customer for damages or otherwise shall have the right at any time with or without notice to curtail in whole or in part delivery of natural gas to Customer for conservation of gas for use having higher priority of service, whether because of lack of supply, diminution of reserves or any other reason.

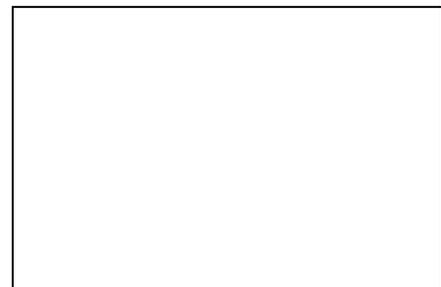
(d) The Company reserves the right to discontinue delivery of gas whenever any account is in arrears, without prejudice to its other rights and remedies for such default in payment. Any waiver of any default at any time shall extend but to the default so waived and shall not preclude exercise of the Company’s remedies with reference to any subsequent default. Buyer agrees upon request of the Company to furnish satisfactory evidence of financial responsibility and the Company reserves the right to require Buyer to make such deposits guaranteeing gas payment as the Company deems appropriate.



Rules, Regulations or Extension Policy

ANNEX 1 – CONDITIONS OF SERVICE – SCHEDULE GGS-6

(e) To the total monthly bill computed under the rate schedule, the Company shall have right to add all or part of any production, severance, transportation, pipeline, occupation, sales or other excise or similar tax now or hereafter imposed by any lawful authority upon or in respect to the production, severance, transportation and/or sale of natural gas sold by the Company to Buyer hereunder if and to the extent that any such tax shall be payable by the Company, whether under direct imposition or pursuant to present or future contract obligation, or otherwise. In event of any such increase, the Company shall give Buyer notice thereof and the said increased rate shall be effective the first of the month following the notice.



Advice Letter No. 227

Bentley W. Breland
Issuing Officer

Issue Date: February 20, 2008

Decision or
Authority No.

Sr. Vice President
Title

Effective Date: February 29, 2008

(North Eastern Colorado)
ALFALFA DEHYDRATION

ALFALFA DEHYDRATION GAS SERVICE RATE

RATE SCHEDULE GGS-7

(Rate Title or Number)

Schedule applicable to customers adjacent to pipelines of the Company for the dehydration of alfalfa.

Availability

Available to all customers desiring natural gas for alfalfa dehydration.

Rate

As stated on Sheet No. 6.

Minimum Charge

Per meter installed per month, equal to the minimum charge as stated on Sheet No. 7.

Heat Content

As stated in section 11 of the Sales Service Terms & Conditions.

Payment

All bills net.

Bills will be rendered at monthly intervals, will be due and payable within ten (10) days of billing date.

Other Clauses and Conditions

Various provisions are set forth in Annex 1, which is incorporated herein and made a part hereof the same as though set forth in full herein.

T



Rules, Regulations or Extension Policy

ANNEX 1 – CONDITIONS OF SERVICE – SCHEDULE GGS-7

1. Buyer, without charge to the Company shall furnish site and housing for meter and regulator and right-of-way over Buyer’s premises for pipeline thereto, and accord the Company unrestricted access to, and the right to remove line and equipment.

2. The gas shall be measured at said site by meter or meters of standard type installed and maintained by the Company.

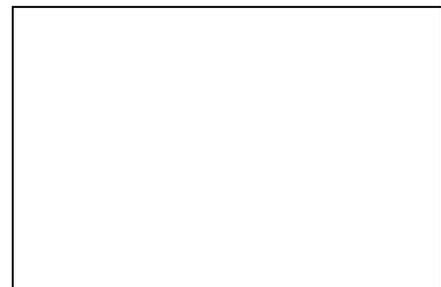
If any such meter becomes inoperative or manifestly in error, the quantity of gas delivered therethrough during the period inoperative or in error shall be determined according to the Company’s usual practice. Any meter found upon test to register not more than 2% fast or slow shall be deemed correct. If found to register more than 2% fast or slow, the calculated deliveries shall be increased or decreased to compensate for such error for such period as definitely known or agreed upon, or if not known or agreed upon, then for the last sixteen days prior to such test. In no case shall any adjustment extend back more than one month prior to disclosure of inaccuracy by either party to the other.

3. The unit of measurement for billing shall be one cubic foot of gas at 60 degrees Fahrenheit and absolute pressure of 13.25 pounds per square inch. At the place of measurement the atmospheric pressure is assumed to be 13.0 pounds per square inch.

For the determination of the BTU content of the gas, a cubic foot of gas means that amount of gas which when saturated with water vapor at a temperature of sixty degrees (60°) Fahrenheit and subjected to an absolute pressure equal to thirty inches (30”) of mercury, at thirty-two degrees (32°) Fahrenheit, (14.73 pounds per square inch) occupies a volume of one (1) cubic foot.

4. Title to the gas shall pass to Buyer at point of delivery specified in Section 1, and thereafter sole responsibility and liability in relation thereto shall rest upon Buyer.

Buyer agrees to save harmless the Company from loss, damage, expense, liability and claims from any cause from or in connection with construction, maintenance or operation of lines, regulators, equipment or appliances of or maintained or operated by Buyer.



Rules, Regulations or Extension Policy

ANNEX 1 – CONDITIONS OF SERVICE – NO. GGS-7

The Company agrees to save harmless Buyer from loss, damage, expense, liability and claims from any cause from or in connection with lines, equipment or appliances of the Company up to said point of delivery.

5. The Company shall not be liable to Buyer in damages or otherwise for any failure or diminution in delivery of gas in consequence of accident to or breakage of pipelines or equipment, fires, floods, freezing, storms, earthquakes, strikes, riots, explosions, legal interferences, orders or requirements of competent authority, acts of God or the public enemy, depletion or destruction of gas wells or fields, diminution or failure of or interference with the Company's source of supply, priority requirements or (and without limitation by enumeration) any other cause beyond reasonable control of the Company.

The Company in its absolute discretion and without liability to Customer for damages or otherwise shall have the right at any time with or without notice to curtail in whole or in part delivery of natural gas to Customer for conservation of gas for use having higher priority of service, whether because of lack of supply, diminution of reserves or any other reason.

Buyer agrees in event of failure, diminution or curtailment in delivery of gas that Buyer at its own expense will resort to other fuels for the period of such failure, diminution or curtailment.

6. The Company reserves the right to discontinue delivery of gas whenever any account is in arrears without prejudice to its other rights and remedies for such default in payment.

Any waiver of any default at any time shall extend but to the default so waived and shall not preclude exercise of the Company's remedies with reference to any subsequent default.

Buyer agrees upon request of the Company to furnish satisfactory evidence of financial responsibility and the Company reserves the right to require Buyer to make such deposits guaranteeing gas payments as the Company deems appropriate for guaranteeing gas payments, but not to exceed an amount equal to an estimated ninety (90) days consumption by Buyer.



Rules, Regulations or Extension Policy

ANNEX 1 – CONDITIONS OF SERVICE – NO. GGS-7

7. To the total monthly bill computed under the rate schedule, the Company shall have the right to add all or part of any production, severance, transportation, pipeline, occupation, sales or other excise or similar tax now or hereafter imposed by any lawful authority upon or in respect to the production, severance, transportation and/or sale of natural gas sold by the Company to Buyer hereunder if and to the extent that any such tax shall be payable by the Company, whether under direct imposition or pursuant to present or future contract obligation, or otherwise. In event of any such increase, the Company shall give Buyer notice thereof and the said increased rate shall be effective the first of the month following the notice.

Advice Letter No. 227

Bentley W. Breland
Issuing Officer

Issue Date: February 20, 2008

Decision or
Authority No.

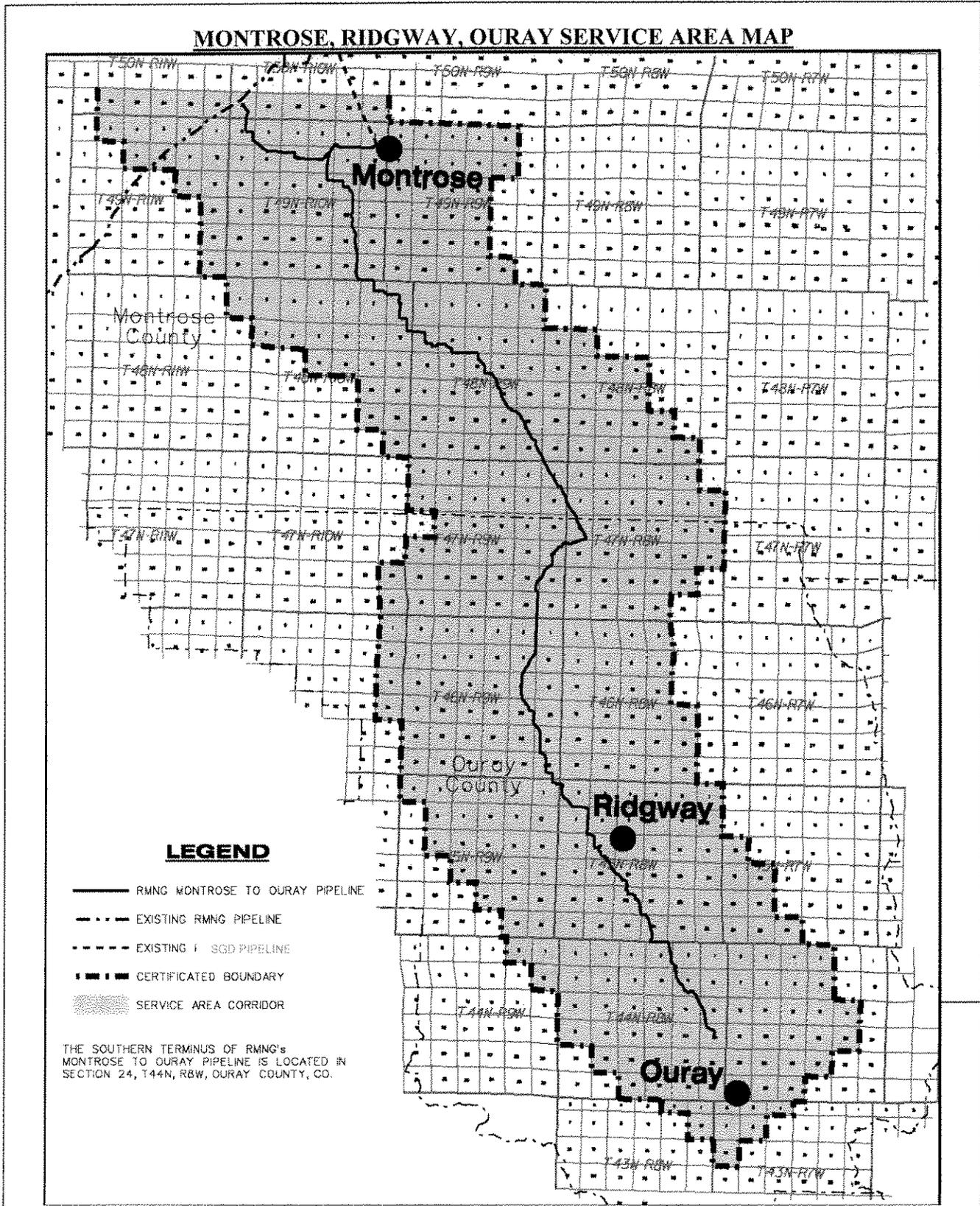
Sr. Vice President
Title

Effective Date: February 29, 2008

Western Slope & North Central Colorado
 List of Territories Served
 Under Rate Schedules
 E-1, E-2, D-1R, D-1C, D-2, D-10

Natural gas service is supplied in the following cites, towns and communities and/or adjacent fringe and rural territories. For rates available see Tariff Sheets 27 through 36.

<u>Locality</u>	<u>Rate Area</u>	<u>County</u>
Aspen	Western Slope	Pitkin
Basalt	Western Slope	Eagle
Carbondale	Western Slope	Garfield
Cedaredge	Western Slope	Delta
Collbran	Western Slope	Mesa
Colona (unincorporated)	Western Slope	Ouray
Dacono	North Central	Weld
Delta	Western Slope	Delta
Eagle	Western Slope	Eagle
Erie	North Central	Weld
Evanston (unincorporated)	North Central	Weld
Firestone	North Central	Weld
Frederick	North Central	Weld
Glenwood Springs	Western Slope	Garfield
Gypsum	Western Slope	Eagle
Hotchkiss	Western Slope	Delta
Mead	North Central	Weld
Montrose	Western Slope	Montrose
Naturita	Western Slope	Montrose
Norwood	Western Slope	San Miguel
Nucla	Western Slope	Montrose
Olathe	Western Slope	Montrose
Orchard City	Western Slope	Delta
Ouray	Western Slope	Ouray
Paonia	Western Slope	Delta
Ridgway	Western Slope	Ouray
Telluride	Western Slope	San Miguel
Wellington	North Central	Larimer
Whitewater (unincorporated)	Western Slope	Mesa



Advice Letter No. 227

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Sr. Vice President
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**(Western Slope & North Central Colorado)
 Sales Service Schedule of Rates**

<u>Rate Schedule</u>	<u>Type of Charge</u>	<u>Base Tariff Rate</u> \$	<u>LSSRS 1/</u> \$	<u>Gas Cost Current</u> \$	<u>Adjustment Cumulative</u> \$	<u>Rate After Adjustment</u> \$
<u>North Central</u>						
E-1	Monthly Demand Charge					
	Residential	5.00		--	--	5.00
	Commercial	10.00		--	--	10.00
	Commodity (\$ per ccf)					
	Residential	0.3943		0.0256	0.3744	0.7687
	Commercial	0.3728		0.0256	0.3744	0.7472
E-2	Monthly Demand Charge	100.00				100.00
	Commodity (\$ per ccf @ 14.65 psia)	0.3464		0.0256	0.3744	0.7208
<u>Western Slope</u>						
D-1R	Monthly Demand Charge	5.00		--	--	5.00
	Commodity (\$ per ccf)	0.5116	0.0218	0.0490	0.2784	0.8118
D-1C	Monthly Demand Charge	10.00		--	--	10.00
	Commodity (\$ per ccf)	0.4761	0.0218	0.0490	0.2784	0.7763
D-2	Monthly Demand Charge	160.00		--	--	160.00
	Commodity (\$ per ccf)	0.4623	0.0218	0.0490	0.2784	0.7625
D-10	Monthly Demand Charge	160.00		--	--	160.00
	Commodity (\$ per ccf @ 14.65 psia)	0.4123	0.0268	0.0490	0.2784	0.7175

The base tariff commodity 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 tariff commencing on Sheet No. 39A. The above rates reflect a gas cost as follows:

<u>Rate Schedule</u>	<u>Base Gas Cost and Adjustments</u>				
E-1	Base Gas Cost	0.2452	0.0222	0.4438	0.6890
E-2	Gas Cost Recovery Adjustment	--	<u>0.0034</u>	<u>(0.0694)</u>	<u>(0.0694)</u>
	Total North Central	<u>0.2452</u>	<u>0.0256</u>	<u>0.3744</u>	<u>0.6196</u>
D-1R	Base Gas Cost	0.3750	0.0053	0.2370	0.6120
D-1C	Gas Cost Recovery Adjustment	--	<u>0.0437</u>	<u>0.0414</u>	<u>0.0414</u>
D-2					
D-10	Total Western Slope	<u>0.3750</u>	<u>0.0490</u>	<u>0.2784</u>	<u>0.6534</u>

The current GCA is the rate change from the last GCA filing.
 The cumulative GCA is the rate change from the base tariff rate.

1/ Pursuant to Sheet No. 39D of this Tariff.



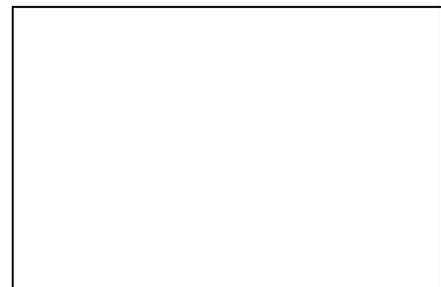
**Western Slope & North Central Colorado
 Sales Service Schedule of Rates**

<u>Rate Schedule</u>	<u>Commodity Charge</u> \$	<u>Distribution Charge</u> \$	<u>Upstream Pipeline Charge</u> \$	<u>Total Commodity Charge</u> 1/ \$	<u>Customer Charge</u> 2/ \$
D-1R	0.4244 <u>3/</u>	0.1366	0.2508	0.8118	5.00
D-1C	0.4244 <u>3/</u>	0.1011	0.2508	0.7763	10.00
D-2	0.4244 <u>3/</u>	0.0873	0.2508	0.7625	160.00
D-10	0.4294 <u>3/</u>	0.0373	0.2508	0.7175	160.00
E-1R	0.5661	0.1491	0.0535	0.7687	5.00
E-1C	0.5661	0.1276	0.0535	0.7472	10.00
E-2	0.5661	0.1012	0.0535	0.7208	100.00

1/ per ccf delivered

2/ Monthly Demand Charge

3/ Includes Litigated Settlement Special Rate Surcharge (LSSRS) Amount of \$0.0218 per ccf at Local Pressure Base and \$0.0268 per ccf @ 14.65 psi delivered pressure pursuant to Sheet No. 39D of this Tariff.



Advice Letter No. 227

Bentley W. Breland
 Issuing Officer

Issue Date: February 20, 2008

Decision or
 Authority No.

Sr. Vice President
 Title

Effective Date: February 29, 2008

This Sheet is Reserved for Future Use.

Advice Letter No. 227

Bentley W. Breland
Issuing Officer

Issue Date: February 20, 2008

Decision or
Authority No.

Sr. Vice President
Title

Effective Date: February 29, 2008

(Western Slope & North Central Colorado)
NATURAL GAS RATES, RESIDENTIAL AND COMMERCIAL SERVICE

RATE SCHEDULE E-1

Urban, Fringe and Rural
(Rate Title or Number)

AVAILABILITY

Available in the Towns of Wellington, Frederick, Firestone, Dacono and Evanston, Colorado, and the immediate fringe and rural districts where natural gas is available from the Company's pipeline.

APPLICABILITY

Applicable to Residential and Commercial Services.

RATE

As stated on Sheet 27.

CAS COST ADJUSTMENT

This rate is subject to the Gas Cost Adjustment tariff commencing on Sheet number 39A.

PAYMENT

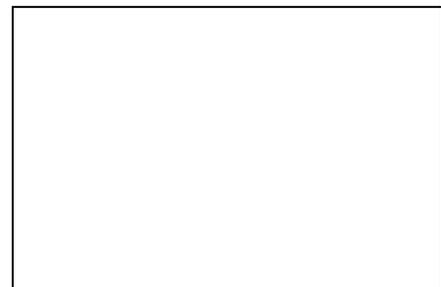
Bills for gas service are due and payable 10 days from date of bill and service is subject to discontinuance if not paid within 20 days from date of bill. There will be a special charge if disconnected for nonpayment and a subsequent reconnect charge. For special charges and fees refer to Sheet No. 29.

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 percentage shall be applied to each customer's charges and then set forth as a separate item, or surcharge, on that customer's bill.

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. Services under this schedule are for the use of residential and commercial customers only. All services under this schedule are subject to the General Residential and Commercial Gas Service Rules and Regulations, 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 Town Clerk and at the office of the Company.



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(Western Slope & North Central Colorado)
INTERRUPTIBLE GAS SERVICE

NATURAL GAS OFF-PEAK INDUSTRIAL SERVICE

RATE SCHEDULE E-2

(Rate Title or Number)

T

AVAILABILITY

Available in the Towns of Wellington, Frederick, Firestone, Dacono Colorado, and the immediate fringe and rural districts where natural gas is available from the Company's pipeline.

APPLICABILITY

Applicable to Industrial Service where service is required from March 15th through December 15th.

RATE

As stated on Sheet 27.

GAS COST ADJUSTMENT

This rate is subject to the Gas Cost Adjustment tariff commencing on Sheet number 39A.

PAYMENT

Bills for gas service are due and payable 10 days from date of bill and service is subject to discontinuance if not paid within 20 days from date of bill. There will be a special charge if disconnected for nonpayment and a subsequent reconnect charge. For special charges and fees refer to Sheet No. 29.

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 Interruptible Industrial customers only. All services are subject to the gas company's Rules and Regulations, with such supplements thereto and revisions thereof as are from time-to-time in effect, and on file with the Public Utilities Commission of the State of Colorado.



(Western Slope & North Central Colorado)
NATURAL GAS RATES RESIDENTIAL SERVICE

Urban, Fringe and Rural

RATE SCHEDULE D-1R
(Rate Title or Number)

AVAILABILITY

Available in the Cities of Aspen, Glenwood Springs, Delta and Montrose, Colorado and the Towns of Basalt, Carbondale, Cedaredge, Eagle, Gypsum, Hotchkiss, Olathe, Orchard City, Collbran, Paonia, Snowmass Village, Telluride, Naturita, Nucla and Norwood, Colorado and the immediate fringe and rural districts where natural gas is available.

APPLICABILITY

Applicable to Residential Services.

RATE

As stated on Sheet 27.

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 percentage 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 number 39A.

PAYMENT

Bills for gas service are due and payable 10 days from date of bill and service is subject to discontinuance if not paid within 20 days from date of bill. There will be a special charge if disconnected for nonpayment and a subsequent reconnect charge. For special charges and fees refer to Sheet No. 29.

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 General Residential Service Rules and Regulations, 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 City or Town Clerk and at the office of the Company.



T

T

(Western Slope & North Central Colorado)
NATURAL GAS RATES COMMERCIAL SERVICE

Urban, Fringe and Rural

RATE SCHEDULE D-1C

(Rate Title or Number)

AVAILABILITY

Available in the Cities of Aspen, Glenwood Springs, Delta and Montrose, Colorado and the Towns of Basalt, Carbondale, Cedaredge, Eagle, Gypsum, Hotchkiss, Olathe, Orchard City, Collbran, Paonia, Snowmass Village, Telluride, Naturita, Nucla and Norwood, Colorado, and the immediate fringe and rural districts where natural gas is available.

APPLICABILITY

Applicable to Commercial Services.

RATE

As stated on Sheet 27.

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 percentage 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

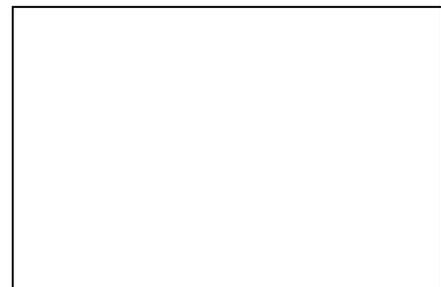
This rate is subject to the Gas Cost Adjustment tariff commencing on Sheet number 39A.

PAYMENT

Bills for gas service are due and payable 10 days from date of bill and service is subject to discontinuance if not paid within 20 days from date of bill. There will be a special charge if disconnected for nonpayment and a subsequent reconnect charge. For special charges and fees refer to Sheet No. 29.

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 Commercial customers only. All services under this schedule are subject to the General Commercial Gas Service Rules and Regulations, 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 City or Town Clerk and at the office of the Company.



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T

(Western Slope & North Central Colorado)
INTERRUPTIBLE GAS SERVICE

NATURAL GAS INTERRUPTIBLE INDUSTRIAL SERVICE

RATE SCHEDULE D-2

(Rate Title or Number)

AVAILABILITY

Available in the Cities of Aspen, Glenwood Springs, Delta and Montrose, Colorado and the Towns of Basalt, Carbondale, Cedaredge, Eagle, Gypsum, Hotchkiss, Olathe, Orchard City, Collbran, Paonia, Snowmass Village, Telluride, Naturita, Nucla and Norwood, Colorado, and the immediate fringe and rural districts where natural gas is available.

APPLICABILITY

Applicable to industrial customers, including, but not limited to Electric Generation, Irrigation Pumping, Orchard Heating and Processing Plants and subject to immediate curtailment of service.

RATE

As stated on Sheet 27.

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 percentage 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 Number 39A.

PAYMENT

Bills for gas service are due and payable 10 days from date of bill and service is subject to discontinuance if not paid within 20 days from date of bill. There will be a special charge if disconnected for nonpayment and a subsequent reconnect charge. For special charges and fees refer to Sheet No. 29.

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 Interruptible Industrial customers only. All services are subject to the gas company's Rules and Regulations with such supplements thereto and revisions thereof as are from time-to-time in effect, and on file with the Public Utility Commission of Colorado.



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(Western Slope & North Central Colorado)
INTERRUPTIBLE GAS SERVICE

NATURAL GAS OFF-PEAK INDUSTRIAL SERVICE

RATE SCHEDULE D-10

(Rate Title or Number)

T

AVAILABILITY

Available in the Cities of Aspen, Glenwood Springs, Delta and Montrose, Colorado and the Towns of Basalt, Carbondale, Cedaredge, Eagle, Gypsum, Hotchkiss, Olathe, Orchard City, Collbran, Paonia, Snowmass Village, Telluride, Naturita, Nucla and Norwood, Colorado and the immediate fringe and rural districts where natural gas is available.

APPLICABILITY

Applicable to Industrial Service where service is required from March 15th through December 15th.

RATE

As stated on Sheet 27.

GAS COST ADJUSTMENT

This rate is subject to the Gas Cost Adjustment tariff commencing on Sheet number 39A.

PAYMENT

Bills for gas service are due and payable 10 days from date of bill and service is subject to discontinuance if not paid within 20 days from date of bill. There will be a special charge if disconnected for nonpayment and a subsequent reconnect charge. For special charges and fees refer to Sheet No. 29.

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 Interruptible Industrial customers only. All services are subject to the gas company's Rules and Regulations with such supplements thereto and revisions thereof as are from time-to-time in effect, and on file with the Public Utilities Commission of the State of Colorado.



(Western Slope & North Central Colorado)
NATURAL GAS RATES - INDUSTRIAL INTERRUPTIBLE

RATE SCHEDULE I-5

(Rate Title or Number)

AVAILABILITY

Available to the Monsanto Company (Buyer) at its plant in the E/2 of Section 22, Township 10 North, Range 79W, Jackson County, CO.

APPLICABILITY

Applicable to interruptible natural gas requirements of Buyer at said plant and is subject to immediate curtailment.

RATE

Per Contract.

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 percentage 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 number 39A.

PAYMENT

On or before the twentieth day of each month, Buyer shall pay Seller at Seller's general office, the amount due from Buyer for the preceding month as billed by the Seller.

TERM

Service under this schedule shall be for the period specified in the contract.

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 Interruptible Industrial customers only. All services are subject to the gas company's rules and regulations with such supplements thereto and revisions thereof as are from time-to-time in effect, and on file with the Public Utilities Commission of the State of Colorado.

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GAS COST ADJUSTMENT

Accounting Requirements Applicable to North Eastern Colorado, Western Slope and North Central Colorado:

Subsequent to April 1, 2002 and pursuant to Decision No. R01-1319 in Docket No. 99P-274G, the Company shall maintain in FERC Account 191 a continuing monthly comparison of the actual cost of gas as shown on the books and records of the Company, exclusive of refunds, and the cost recovery for the same month calculated by multiplying the volumes sold during said month by the currently effective rate for purchase gas. The Company shall maintain an over/under account for each separate gas cost adjustment for the under-recovered or over-recovered purchased gas costs on a monthly basis. Applicable FERC accounts as described in 18 C.F.R., Part 201 (with SourceGas Distribution LLC's specific internal account numbers noted) to be used for purposes of calculating account 191 entries, are as follows:

BALANCE SHEET:

Accounts 117 and 164 including subaccounts

INCOME STATEMENT:

Accounts 480 through 485 including subaccounts

OPERATION AND MAINTENANCE EXPENSES:

Accounts 800 through 808 including subaccounts



Arkansas Valley and Southwestern Divisions ^{1/}
 List of Territories Served
 Under Rate Schedules
GS-1, GS-3, LI-1, LI-2, SI-1, SC-1, and GT-1

Natural gas service is supplied in the following cities, towns and communities and/or adjacent fringe and rural territories. For rates and terms available see Tariff Sheet Nos. 36B.01 through 36L.

<u>Locality</u>	<u>Rate Area</u>	<u>County</u>
Bayfield	Southwestern Division	La Plata
Cheraw	Arkansas Valley Division	Otero
Crowley	Arkansas Valley Division	Crowley
Fairfield Pagosa	Southwestern Division	Archuleta
Fort Lyon (unincorporated)	Arkansas Valley Division	Bent
Fowler	Arkansas Valley Division	Otero
Gem Village (unincorporated)	Southwestern Division	La Plata
La Junta	Arkansas Valley Division	Otero
Las Animas	Arkansas Valley Division	Bent
Manzanola	Arkansas Valley Division	Otero
Mineral County	Southwestern Division	Mineral
North La Junta (unincorporated)	Arkansas Valley Division	Otero
Olney Springs	Arkansas Valley Division	Crowley
Ordway	Arkansas Valley Division	Crowley
Pagosa Springs	Southwestern Division	Archuleta
Rocky Ford	Arkansas Valley Division	Otero
Sugar City	Arkansas Valley Division	Crowley
Swink	Arkansas Valley Division	Otero

^{1/} Arkansas Valley and Southwestern Divisions were formerly governed by the Company's Colorado PUC No. 11 tariff and were referred to in that tariff as The Arkansas Valley and Western Slope, respectively.



Sales Service Schedule of Rates

Applies to: Archuleta, Bent, Crowley La Plata, Mineral and Otero Counties

Gas Rate Components
Arkansas Valley and Southwestern Divisions

<u>Rate Schedule</u>	<u>Sheet No</u>	<u>Billing Units</u>	<u>Current Gas Cost Per Unit</u>	<u>Base Gas Cost Per Unit</u>	<u>Deferred Gas Cost Per Unit</u>	<u>Total Gas Cost Adj. Per Unit</u>
GS-1	36D	Ccf	\$0.66564	\$0.24930	(\$0.11783)	\$0.29851
GS-3	36E	Ccf	\$0.59895	\$0.18254	(\$0.09217)	\$0.32424
LI-1	36F	Mcf	\$6.6564	\$2.4930	(\$1.1783)	\$2.9851
LI-2	36H	Mcf	\$5.9895	\$1.8254	(\$0.9217)	\$3.2424
SI-1 (1)	36J	Mcf	\$6.6564	\$2.4930	(\$1.1783)	\$2.9851
SI-1 (2)	36J	Mcf	\$6.6564	\$2.4930	(\$1.1783)	\$2.9851
SI-1 (3)	36J	Mcf	\$6.6564	\$2.4930	(\$1.1783)	\$2.9851
SC-1	36L	Mcf	\$5.5014	\$2.0400	\$0.0000	\$3.4614
GT-1	77A	Mcf	\$0.0466	\$0.0000	\$0.0000	\$0.0466

- (1) First 5,000 during period May 1 through October 31
- (2) Next 45,000 during period May 1 through October 31
- (3) All over 50,000 during period May 1 through October 31



Sales Service Schedule of Rates

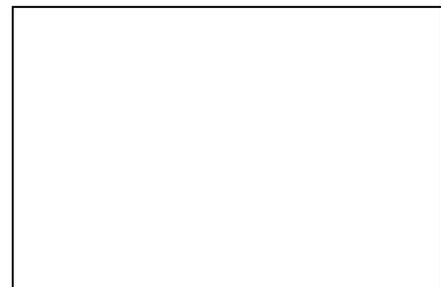
Applies to: Archuleta, Bent, Crowley, La Plata, Mineral and Otero Counties

Gas Rate Billing Components

Arkansas Valley and Southwestern Divisions

<u>Rate Schedule</u>	<u>Sheet No.</u>	<u>Billing Units</u>	<u>Commodity Cost Per Unit</u>	<u>Upstream Services Cost Per Unit</u>	<u>Deferred Gas Cost Per Unit</u>	<u>LDC System Cost Per Unit</u>
GS-1	36D	Ccf	\$0.55014	\$0.11550	(\$0.11783)	\$0.13225
GS-3	36E	Ccf	\$0.55959	\$0.03936	(\$0.09217)	\$0.18467
LI-1	36F	Mcf	\$5.5014	\$1.1550	(\$1.1783)	\$0.5593
LI-2	36H	Mcf	\$5.5959	\$0.3936	(\$0.9217)	\$1.31108
SI-1 (1)	36J	Mcf	\$5.5014	\$1.1550	(\$1.1783)	\$0.7449
SI-1 (2)	36J	Mcf	\$5.5014	\$1.1550	(\$1.1783)	\$0.7087
SI-1 (3)	36J	Mcf	\$5.5014	\$1.1550	(\$1.1783)	\$0.6555
SC-1	36L	Mcf	\$5.5014	\$0.0000	\$0.0000	\$0.6210
GT-1	77A	Mcf	\$0.0000	\$0.0466	\$0.0000	See Note 4

- (1) First 5,000 during period May 1 through October 31
- (2) Next 45,000 during period May 1 through October 31
- (3) All over 50,000 during period May 1 through October 31
- (4) The LDC System Cost Per Unit shall be equal to the LDC System Cost per Unit for the applicable sales.



Sales Service Schedule of Rates

Applies to: Applies to: Archuleta, Bent, Crowley, La Plata, Mineral and Otero Counties

Gas Rate Components
Arkansas Valley and Southwestern Divisions

<u>Rate Schedule</u>	<u>Sheet No.</u>	<u>Billing Units</u>	<u>Type of Charge</u>	<u>Cost Per Unit</u>
GS-1	36D	Monthly	Minimum Facilities Charge	\$5.40
GS-3	36E	Monthly	Minimum Facilities Charge	\$5.40
LI-1	36F	Mcf	Demand Charge	\$5.06
LI-2	36H	Mcf	Demand Charge	\$6.16
SI-1	36J	6-Month Season	Minimum Charge	\$2,700.52



Advice Letter No. 227

Bentley W. Breland
 Issuing Officer

Issue Date: February 20, 2008

Decision or
 Authority No.

Sr. Vice President
 Title

Effective Date: February 29, 2008

This Sheet is Reserved for Future Use.

Advice Letter No. 227

Bentley W. Breland
Issuing Officer

Issue Date: February 20, 2008

Decision or
Authority No.

Sr. Vice President
Title

Effective Date: February 29, 2008

GENERAL SERVICE

Rate Schedule GS-1

APPLICABILITY

Applicable in all territory served by the Company in Bent, Crowley and Otero Counties, Colorado.

AVAILABILITY

For residential, commercial and small industrial service.

RATE

Facilities Charge per month See Sheet No. 36B.03

Commodity Charge per 100 cubic feet per month See Sheet No. 36B.02

MINIMUM

Net minimum per meter per month See Sheet No. 36B.03

TERMS AND CONDITIONS

This rate is subject to the general rules and regulations on file with the Public Utilities Commission, which are made a part hereof.

Service under this schedule is for the exclusive use of the customer and shall not be resold or shared with others.



GENERAL SERVICE

Rate Schedule GS-3

APPLICABILITY

Applicable to the territory served by the Company in Archuleta, La Plata and Mineral Counties, Colorado.

AVAILABILITY

For residential, commercial and small industrial service.

RATE

Facilities Charge per month See Sheet No. 36B.03

Commodity Charge per 100 cubic feet per month See Sheet No. 36B.02

MINIMUM

Net minimum per meter per month See Sheet No. 36B.03

TERMS AND CONDITIONS

This rate is subject to the general rules and regulations on file with the Public Utilities Commission, which are made a part hereof.

Service under this schedule is for the exclusive use of the customer and shall not be resold or shared with others.



**Large Industrial Rate Service
Rate Schedule LI-1**

APPLICABILITY

Applicable in all territory served by the Company in Bent, Crowley and Otero Counties, Colorado.

AVAILABILITY

For large commercial and industrial service where the customer uses 250,000 cubic feet or more of gas during the billing period in which demand is determined.

RATE

Demand Charge - per 1,000 cubic feet	See Sheet No. 36B.03
Commodity Charge - per 1,000 cubic feet	See Sheet No. 36B.02

DETERMINATION OF DEMAND

The monthly demand shall be the greatest daily use of gas occurring in any monthly billing period from October 1st of one year through April 30th of the next year determined, at the option of the Company, either by measurement or by dividing the amount of gas used during the monthly billing period by the number of days covered by that billing period, whichever is greater.

BILLING DEMAND

The billing demand shall be the demand as determined above but not less than the highest demand so determined for the eleven months immediately preceding the current month, and in no case less than 8,333 cubic feet.

MINIMUM

The demand charge per month.



**Large Industrial Rate Service
Rate Schedule LI-1
(Continued)**

TERMS AND CONDITIONS

Where gas is supplied to customers at a pressure higher than the atmospheric pressure of 12.7 pounds plus 4 ounces, a correction factor shall be applied to the meter registrations for the higher pressure; the formula for such correction shall be as follows:

$$\frac{12.7 \text{ plus pressure at which metered}}{12.7 \text{ plus } 0.25}$$

This rate is subject to the general rules and regulations on file with the Public Utilities Commission, which are made a part hereof.

Residential and commercial gas services have priority rights in the use of gas over all industrial gas services and the Company reserves the right to limit at any time the number of customers served and the quantities of gas supplied hereunder depending upon the supply and facilities available and to render service only where it has adequate distribution capacity. The interruption of gas deliveries in whole or part under this rate shall not be the basis for claims for damages, if any, sustained by the customer by reason of such limitation or interruption.

Necessary extensions of the Company's established distribution system shall be made in accordance with individual contracts between applicant and Company based upon the character and permanency of the load.



GENERAL SERVICE

Rate Schedule LI-2

APPLICABILITY

Applicable in all territory served by the Company in Archuleta, La Plata and Mineral Counties, Colorado.

AVAILABILITY

For large commercial and industrial service where the customer uses 250,000 cubic feet or more of gas during the billing period in which demand is determined.

RATE

Demand Charge - per 1,000 cubic feet	See Sheet No. 36B.03
Commodity Charge - per 1,000 cubic feet	See Sheet No. 36B.02

DETERMINATION OF DEMAND

The monthly demand shall be the greatest daily use of gas occurring in any monthly billing period from October 1st of one year through April 30th of the next year, determined, at the option of the Company, either by measurement or by dividing the amount of gas used during the monthly billing period by the number of days covered by that billing period, whichever is greater.

BILLING DEMAND

The billing demand shall be the demand as determined above but not less than the highest demand so determined for the eleven months preceding the current month, and in no case less than 8,333 cubic feet.

MINIMUM

The demand charge per month.



GENERAL SERVICE

**Rate Schedule LI-2
(Continued)**

TERMS AND CONDITIONS

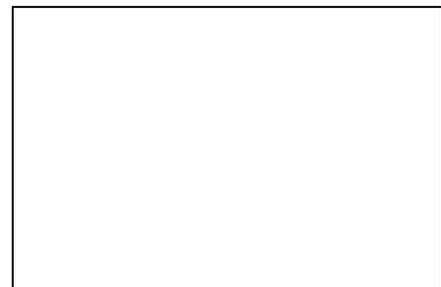
Where gas is supplied to customers at a pressure higher than the local atmospheric pressure plus 4 ounces, a correction factor shall be applied to the meter registrations for the higher pressure; the formula for such correction shall be as follows:

$$\frac{\text{Local atmospheric pressure plus pressure at which metered}}{\text{Local atmospheric pressure plus .25}}$$

The rate is subject to the general rules and regulations on file with the Public Utilities Commission, which are made a part hereof .

Residential and commercial gas services have priority rights in the use of gas over all industrial gas services and the Company reserves the right to limit at any time the number of customers served and the quantities of gas supplied hereunder depending upon the supply and facilities available and to render service only where it has adequate distribution capacity. The interruption of gas deliveries in whole or part under this rate shall not be the basis for claims for damages, if any, sustained by the customer by reason of such limitation or interruption.

Necessary extensions of the Company's established distribution system shall be made in accordance with individual contracts between applicant and Company based upon the character and permanency of the load.



**GENERAL SERVICE
SPECIAL INDUSTRIAL RATE FOR NATURAL GAS
Rate Schedule SI-1**

APPLICABILITY

Applicable in all territory served by the Company in Bent, Crowley and Otero Counties, Colorado.

AVAILABILITY

For industrial customers who do not require natural gas during the months of November to April, inclusive.

RATE

See applicable rate sheet.

MINIMUM

For six-month season (May 1 through October 31, inclusive) See Sheet No. 36B.03

CONTRACT PERIOD

Service under this schedule shall be firm and shall be rendered under individual contract only, for a period from May 1 through October 31, inclusive, of each year.

TERMS AND CONDITIONS

Where gas is supplied to customers at a pressure higher than the atmospheric pressure of 12.7 pounds plus 4 ounces, a correction factor shall be applied to the meter registrations for the higher pressure. The formula for determining such correction factor shall be as follows:

$$\frac{12.7 \text{ plus pressure at which metered}}{12.7 \text{ plus } .25}$$



**GENERAL SERVICE
SPECIAL INDUSTRIAL RATE FOR NATURAL GAS
Rate Schedule SI-1
(Continued)**

This rate is subject to the general rules and regulations on file with the Public Utilities Commission, which are made a part hereof.

Residential and commercial gas services have priority rights in the use of gas over all industrial gas services and the Company reserves the right to limit at any time the number of customers served and the quantities of gas supplied hereunder depending upon the supply and facilities available and to render service only where it has adequate distribution capacity; and to determine whether the customer's apparatus and equipment, the use thereof, and the general operating conditions are such that service shall be supplied hereunder. The interruption of gas deliveries in whole or part under this rate shall not be the basis for claims for damages, if any, sustained by the customer by reason of such limitation or interruption.

Necessary extensions of the Company's established distribution system shall be made in accordance with individual contracts between applicant and Company based upon the character and permanency of the load.



Advice Letter No. 227

Bentley W. Breland
Issuing Officer

Issue Date: February 20, 2008

Decision or
Authority No.

Sr. Vice President
Title

Effective Date: February 29, 2008

NATURAL GAS SERVICE

SPECIAL CONTRACT SERVICE – SC-1

AVAILABILITY

Available to the Arkansas Valley Regional Medical Center, located in La Junta, Colorado, in accordance with the terms and conditions of the gas sales agreement dated September 2, 1986.

APPLICABILITY

Applicable to Natural Gas Service for boiler use as set forth in the agreement between Company and customer.

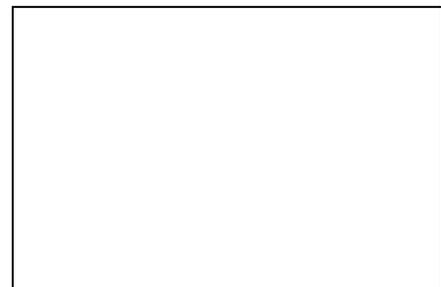
RATE

Commodity Charge, per Mcf per month

See Sheet No. 36B.02

TERMS AND CONDITIONS

See gas agreement between Company and customer for special terms and conditions, and the General Terms and Conditions of this Tariff.



Rules, Regulations or Extension Policy

Gas Cost Adjustment

North Eastern Colorado

(a) Description

Rate schedules for natural gas service are subject to a Gas Cost Adjustment (GCA) to reflect changes in the cost of purchased gas, as provided for herein.

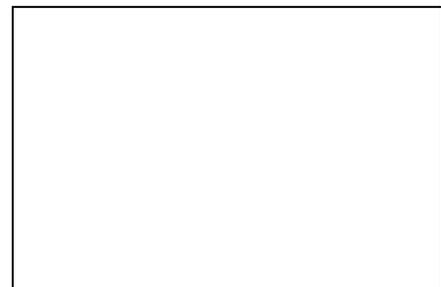
(b) Frequency of Change

The GCA amounts shall be subject to revision annually on November 1, to reflect increases or decreases in gas costs, such as the cost of the gas commodity and Upstream Services, to be recovered in addition to the Base Gas Cost component of the Company's currently effective Base Rates. Additional GCA applications may be filed at other times to revise relevant tariff sheet provided that the resulting changes equate to at least one cent (\$0.01) per thousand cubic feet. Said increased or decreased adjustment amounts will be prorated as of the effective date.

(c) Determination of GCA Amounts

The GCA will be determined as follows:

1. The gas supply cost for the period shall be determined by summing the Forecasted Gas Commodity Cost Component and the Forecasted Upstream Cost Component to be applicable during the GCA Effective Period. The Forecasted Gas Commodity Cost Component shall be the system wide average composite unit cost to the Company for purchasing, gathering, treating, and processing of gas or any other services, fees and taxes assessed, under contract or otherwise, multiplied by the Forecasted Gas Purchase Quantity received or to be received as applicable during the effective GCA period at the Colorado P.U.C. jurisdictional facilities. The Upstream Cost Component shall be the cost of transportation and storage, net of any revenues from capacity releases, directly attributable to Company's Colorado jurisdiction during the period. The Company will separately identify and account for demand and commodity costs related to each of the above listed gas supply cost categories.



Rules, Regulations or Extension Policy

Gas Cost Adjustment – North Eastern Colorado – continued

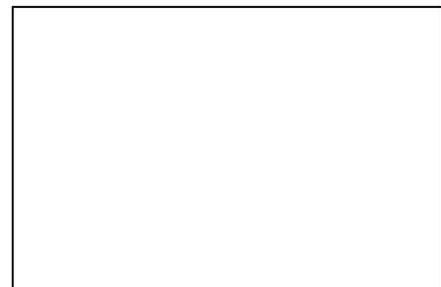
2. The resulting projected gas cost will be divided by the Colorado Jurisdictional Forecasted Sales Gas Quantity (adjusted for deviations from normal and other changes) for the same period.
3. A GCA will be determined annually for the twelve months ended June 30 (The Accumulation Period) by determining the difference between the forecasted cost of gas and the actual cost of gas as was recovered during the accumulation period. The difference will be the amount over- or under- recovered for the accumulation period. This amount, plus an amounts not amortized at June 30, relating to prior periods, plus interest, if any, will be amortized over the 12 month period commencing November 1.
4. Rates will be calculated to the nearest mill (\$.001) per thousand cubic feet in order to reflect the GCA rate adjustments on the same basis as the Company's rates are stated.
5. The Total GCA will be determined using the following formula:

$$\text{Total GCA} = (A + B) - C$$

A = Current Gas Cost as calculated in 1 and 2 above.

B = Deferred Gas Cost as calculated in 3 above.

C = Base Gas Cost as reflected in Base Rates.



Rules, Regulations or Extension Policy

Gas Cost Adjustment – North Eastern Colorado – continued

6. For purposes of gas sold by the Company during the period through June 30, 2008, the Current Gas Cost and Deferred Gas Cost as calculated and referred to in this Section (c) may include all prudently incurred costs forecasted or actually incurred and revenues forecasted or actually received by the Company in connection with establishing a price collar with financial derivative instruments, undertaken to limit price volatility with respect to gas purchased for distribution to the Company's Colorado ratepayers.

For purposes of this Section, a price collar is defined as a range of prices which are intended to provide a net gas cost of not more than a stated maximum and not less than a stated minimum, to be established for specific gas volumes and specific time periods pursuant to the process described herein. A price collar will be established by simultaneously purchasing a financial call option(s) above prevailing market prices and selling a financial put option(s) below prevailing market prices from the same counter-party. Depending on actual market prices of gas for a particular month, for the quantities of gas covered under a financial derivative instrument for such month, a one time financial settlement payment may be received by the Company from trading counter-parties if the market price exceeds an agreed upon ceiling price, or a one time financial settlement payment may be made by the Company to the trading counter-parties if the market price falls below an agreed upon floor price. The receipt or disbursement of such financial payments shall be credited or debited to Account 191 and reflected in the Company's GCA filings. Such activity shall be undertaken for hedging purposes only. All financial transactions shall be tied directly to physical gas purchasing activities. Speculative transactions not tied directly to physical gas purchasing activities shall not be included in GCA filings. The Company shall maintain risk management trading procedures and policies to govern and oversee risk management practices and trading personnel.

The Company will execute financial instruments with qualified counter-parties to establish a price collar using a Request for Quotation ("RFQ") process. Qualified counter-parties will be financial derivative market participants that have passed the Company's creditworthiness requirements.

The Company will limit itself to the specific volumes identified in its RFQ and GPP that can be fixed using collars to that amount set forth in its Gas Purchase Plan. The RFQ will set forth a detailed account of gas volumes, time period, and price objectives sought by the Company. The counter-party(s) most closely meeting the objectives set forth in the RFQ provided by the Company at the most favorable collar price and with no up front transactional costs will be selected for the specified gas volume and time period set forth in the RFQ. The Company will provide the details of the gas volumes and time period subject to the RFQ process in applicable GCA filings, as they are submitted to the Commission. The Company will also provide reasonable details of estimates of its hedging activity in applicable GPP filings.

Once a price collar has been established for specific volumes and for a specific time period, each instrument executed to achieve the price collar will be held from establishment until expiration.

The Company shall maintain records to provide a full accounting for and details of its hedging program for the Commission's review. The Company shall be subject to audit and prudence review of its hedging activities under applicable law and the Rules of the Commission, as they may be in effect from time-to-time.

Rules, Regulations or Extension Policy

Gas Cost Adjustment – North Eastern Colorado – continued

Gas purchased pursuant to these GCA provisions must be delivered to customers by June 30, 2008 to be eligible for inclusion in the Company's Actual Gas Costs. All gas purchasing and price hedging costs associated with the activities provided for herein, must be recorded in the company's accounting books and records by June 30, 2008. Such costs must be proposed for recovery in the annual Gas Cost Adjustment (GCA) filing to be effective each November 1, through 2008.

This tariff provision shall not apply to any price hedging activity undertaken after June 30, 2008. Gas price risk management costs incurred as a result of activities conducted under the authority of these tariff provisions shall be excluded from the definition of Actual Gas Costs effective July 1, 2008, unless the Commission, by subsequent order, approves the continued inclusion of these costs.

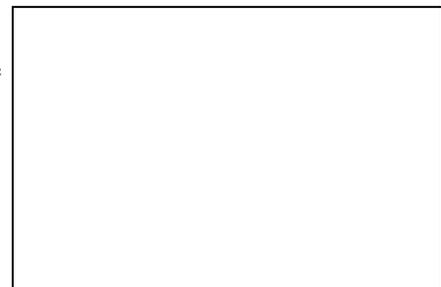
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Rules, Regulations or Extension Policy

Gas Cost Adjustment – North Eastern Colorado – continued

- (d) Interest
Interest will be paid on any over-recovered amounts in accordance with the Commission’s GCA rules. The Company will not include interest on under-recoveries except to the extent such interest will offset interest on over-recoveries.
- (e) Consolidation with Base Natural Gas Rate Schedules
Following the issuance of an order in a general rate case, or at other times as appropriate, those portions of the GCA amounts which are finalized and are not subject to further regulatory review will be combined into the appropriate base tariff rate schedules. GCA amounts not combined into the base tariff rates shall be displayed as current and cumulative adjustments.
- (f) Treatment of Refunds
Refunds received from the Company’s suppliers, including interest received thereon, will be refunded in accordance with all applicable laws and rules set forth by the Commission.
- (g) Information to be filed with the Commission
Each GCA filing will be accomplished by filing an application and exhibits with the Commission as required by Commission GCA rules not less than two weeks prior to the proposed effective date of such filing. Such filing will be accompanied by all such supporting data, schedules, and information as may be required by the Commission from time to time.
- (h) Additional Filings
Beginning in 1998, the Company shall file with the Commission, on or before each June 1, a Gas Purchase Plan (GPP), in accordance with the Commission’s rules. The Company shall also file any other reports as may be required by the Commission’s GCA rules in compliance with such rules, as modified from time to time.
- (i) Compliance With Commission Rules
The Company’s GCA as set forth herein incorporates by reference the Commission’s Rules Regarding Gas Cost Adjustment. Where not explicitly stated, the intent of the Commission’s rules shall prevail in the event of errors or omissions.
- (j) Transportation Rate Adjustment
Revenues collected through the Transportation Rate Adjustment (TRA) surcharge shown on Sheet No. 78 will be included in the calculation of the Deferred Gas Cost Component of the GCA.



Rules, Regulations or Extension Policy

Gas Cost Adjustment

Western Slope, North Central, Arkansas Valley and Southwestern Divisions

(a) Description

Rate schedules for natural gas service are subject to a Gas Cost Adjustment to reflect changes in the cost of purchased gas, as herein provided. The Gas Cost Adjustment amount for all applicable rates is as set forth on the applicable rate sheet of this Tariff.

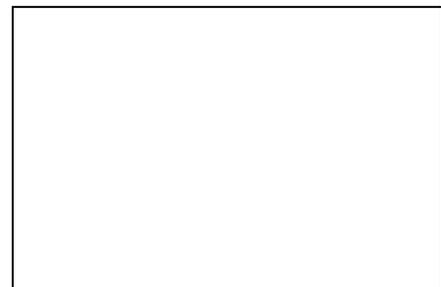
(b) Frequency of Change

The Gas Supply Cost Adjustment amounts shall be subject to revision annually on November 1, or at other times as appropriate, to adjust for changes in the Company's average cost of gas. Increased or decreased adjustment amounts shall be filed on the applicable rate sheet of this Tariff when changes equate to at least one-tenth mill (\$0.0001) per one hundred cubic feet and will become effective on less than 30 days notice to the Public Utilities Commission and the public, or upon such other date as may be ordered by the Commission. Said increased or decreased adjustment amounts will be prorated as of the effective date.

(c) Determination of Purchased Gas Adjustment Amounts

The Gas Cost Adjustment will be determined as follows:

1. The projected cost of gas will be calculated based upon the used and useful volumes of natural gas purchased (adjusted for weather deviations from normal and other changes) during the test year, and weighted average annual wellhead, field line, gasoline plant outlet, natural gas city gate purchase, or other purchase prices (including the cost of transportation and compression of purchased gas by others) projected to be effective during the subsequent twelve months. The rates to be used for pipeline purchase costs will be those rates currently effective. Such price projections will be made in accordance with such laws and regulations as may be applicable.



Rules, Regulations or Extension Policy

Gas Cost Adjustment – Western Slope, North Central, Arkansas Valley and Southwestern Divisions – continued

- 2. The resulting projected gas cost will be divided by projected sales (adjusted for deviations from normal and other changes) for the same period.
- 3. A Gas Cost Adjustment will be determined annually for the twelve months ended June 30 (The Accumulation Period) by determining the difference between the actual cost of gas and the cost of gas actually recovered during the accumulation period. The difference will be the amount over or under-recovered for the accumulation period. This amount, plus any remaining unamortized amount at June 30 relating to prior periods, plus interest, if any, will be amortized over the 12 month period commencing November 1.

4. Rates will be calculated to the nearest tenth mill (\$.0001) per thousand cubic feet.

5. The Total Gas Cost Adjustment will be determined using the following formula:

$$\text{Gas Cost Adjustment} = \frac{A + B}{D} - C$$

A = Cost of purchased gas as computed in 1. above.

B = Ccf sales as specified in 2. above.

C = Unit Cost of Gas reflected in currently effective rates.

D = Amount as specified in 3 above.

6. For purposes of gas sold by the Company during the period through June 30, 2008, the Current Gas Cost and Deferred Gas Cost as calculated and referred to in this Section (c) may include all prudently incurred costs forecasted or actually incurred and revenues forecasted or actually received by the Company in connection with establishing a price collar with financial derivative instruments, undertaken to limit price volatility with respect to gas purchased for distribution to the Company's Colorado ratepayers.



Rules, Regulations or Extension Policy

Gas Cost Adjustment – Western Slope, North Central, Arkansas Valley and Southwestern Divisions – continued

For purposes of this Section, a price collar is defined as a range of prices which are intended to provide a net gas cost of not more than a stated maximum and not less than a stated minimum, to be established for specific gas volumes and specific time periods pursuant to the process described herein. A price collar will be established by simultaneously purchasing a financial call option(s) above prevailing market prices and selling a financial put option(s) below prevailing market prices from the same counter-party. Depending on actual market prices of gas for a particular month, for the quantities of gas covered under a financial derivative instrument for such month, a one time financial settlement payment may be received by the Company from trading counter-parties if the market price exceeds an agreed upon ceiling price, or a one time financial settlement payment may be made by the Company to the trading counter-parties if the market price falls below an agreed upon floor price. The receipt or disbursement of such financial payments shall be credited or debited to Account 191 and reflected in the Company’s GCA filings. Such activity shall be undertaken for hedging purposes only. All financial transactions shall be tied directly to physical gas purchasing activities. Speculative transactions not tied directly to physical gas purchasing activities shall not be included in GCA filings. The Company shall maintain risk management trading procedures and policies to govern and oversee risk management practices and trading personnel.

The Company will execute financial instruments with qualified counter-parties to establish a price collar using a Request for Quotation (“RFQ”) process. Qualified counter-parties will be financial derivative market participants that have passed the Company’s creditworthiness requirements.

The Company will limit itself to the specific volumes identified in its RFQ and GPP that can be fixed using collars to that amount set forth in its Gas Purchase Plan. The RFQ will set forth a detailed account of gas volumes, time period, and price objectives sought by the Company. The counter-party(s) most closely meeting the objectives set forth in the RFQ provided by the Company at the most favorable collar price and with no up front transactional costs will be selected for the specified gas volume and time period set forth in the RFQ. The Company will provide the details of the gas volumes and time period subject to the RFQ process in applicable GCA filings, as they are submitted to the Commission. The Company will also provide reasonable details of estimates of its hedging activity in applicable GPP filings.

Once a price collar has been established for specific volumes and for a specific time period, each instrument executed to achieve the price collar will be held from establishment until expiration.

The Company shall maintain records to provide a full accounting for and details of its hedging program for the Commission’s review. The Company shall be subject to audit and prudence review of its hedging activities under applicable law and the Rules of the Commission, as they may be in effect from time-to-time.



Rules, Regulations or Extension Policy

Gas Cost Adjustment – Western Slope, North Central, Arkansas Valley and Southwestern Divisions – continued

Gas must be delivered to customers by June 30, 2008 to be eligible for inclusion in Actual Gas Cost. Costs must be recorded in the company's accounting books and records by June 30, 2008. Costs must be recovered in the annual Gas Cost Adjustment (GCA) filing to be effective each November 1, through 2008.

This tariff provision shall not apply to any hedging activity taken after June 30, 2008. Gas Price Management Costs shall be excluded from the definition of Actual Gas Costs effective November 1, 2008, unless the Commission by subsequent order approves the continued inclusion of these costs.

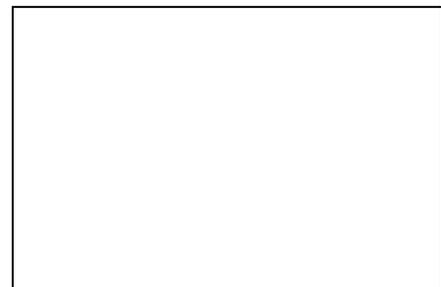
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Rules, Regulations or Extension Policy

Gas Cost Adjustment – Western Slope, North Central, Arkansas Valley and Southwestern Divisions – continued

- (d) Interest
Interest will be paid on any over-recovered amounts in accordance with the Commission’s GCA Rules. The Company will not include interest on under-recoveries except to the extent such interest will offset interest on over-recoveries.
- (e) Consolidation with Base Natural Gas Rate Schedules
Following the issuance of an order in a general rate case, or at other times as appropriate, those portions of the Gas Supply Cost Adjustment amounts which are finalized and not subject to further regulatory review will be combined into the appropriate base tariff rate schedules. Gas Cost Adjustment amounts not combined into the base tariff rates shall be displayed as: Current - change since the previous adjustment, and Cumulative - change from the level included in the base tariff rates.
- (f) Treatment of Refund
Refunds received from the Company’s suppliers, including interest received thereon, will reduce the balance of un-recovered gas costs, if any, or will be considered as a decrease in the Gas Supply Cost Adjustment amount, whichever is appropriate.
- (g) Information to be Filed with the Public Utilities Commission
Each filing of a Gas Supply Cost Adjustment tariff will be accomplished by filing an application, on not less than fourteen (14) working days' notice, and will be accompanied by such supporting data and information as the Commission may require.
- (h) Additional Filings
Beginning in 1998, the Company shall file with the Commission, on or before each June 1, a Gas Purchase Plan (GPP), in accordance with the Commission’s rules. The Company shall also file any other reports as may be required by the Commission’s GCA rules in compliance with such rules, as modified from time to time.
- (i) Compliance With Commission Rules
The Company’s GCA as set forth herein incorporates by reference the Commission’s Rules Regarding Gas Cost Adjustment. Where not explicitly stated, the intent of the Commission’s rules shall prevail in the event of errors or omissions.



Rules, Regulations or Extension Policy

LITIGATED SETTLEMENT SPECIAL RATE SURCHARGE (LSSRS)

(a) Description. As provided for by Commission Decision No. R03-1042 mailed on September 15, 2003, and entered in Dockets 02A-522G, 02A-524G, 02I-620G and 02I-621G, the Litigated Settlement Special Rate Surcharge (LSSRS) shall be applied to the Company's sales rates (Rate Schedule GRS-1) and transportation rates (Rate Schedules FTS-1 and ITS-1), until the Company has recovered the entire Settlement Amount. The balances of the Settlement Amount shall be recovered by the Company over a fourteen (14)-year period commencing November 1, 2003. The LSSRS shall terminate at the earlier of October 31, 2017, or once the entire Settlement Amount has been fully recovered by the Company.

(b) Procedures. The LSSRS shall be accounted for as follows:

i. An appropriate Federal Energy Regulatory Commission (FERC) sub-account shall be established to record the entire Settlement Amount, reduced by first-year collections, as of November 1, 2003, and to record the LSSRS revenues recovered for the duration of the LSSRS recovery period;

ii. The Company shall annually provide an attachment to its Annual Report to the Commission. The attachment shall identify the following:

- a. the original settlement amount allowed for recovery;
- b. total annual revenue recovered for the reported calendar year period;
- c. accumulated revenues recovered by year, as of the annual period being reported;
- d. total volumes sold or transported during the same calendar year period reported for the annual revenue recovery; and
- e. the settlement amount balance remaining to be recovered;

iii. The LSSRS shall terminate in the same month that full recovery of the entire settlement amount is completed. The Company shall file an advice letter to remove the LSSRS from rates on not less than one (1) day's notice. Any over- or under-recovered balance of the settlement amount remaining shall be debited or credited to the Company's Account 191;

iv. The LSSRS surcharge for the Company has been calculated to be \$0.2180 per Mcf @ LPB for sales customers and \$0.2699 per Mcf @ 14.73 psi for transportation customers under maximum rate. This calculation (pursuant to the Stipulation and Agreement contained in Docket No. 02A-522G, et al.) was based on the Remaining Balance, divided by the estimated total throughput on Rocky Mountain Natural Gas Company related to Company's Western Slope Rate Area sales and transportation customers for the fourteen (14)-year period of recovery of the Remaining Balance. The total throughput on Company is the sum total of the projected end-use Company sales and transportation customer consumption, as estimated for each year of the fourteen (14)-year recovery period.

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Rules, Regulations or Extension Policy

LITIGATED SETTLEMENT SPECIAL RATE SURCHARGE (LSSRS) (Cont.)

v. As the LSSRS pertains to transportation rates, if and when the Company discounts the rates applicable to service rendered under the transportation rate schedules contained in this effective Tariff, the LSSRS component shall be discounted prior to the discounting of any other component of the applicable maximum rate. The Company shall only attribute to the Settlement Amount the amounts actually collected pursuant to the application of the LSSRS. Company shall maintain sufficient books and records for the determination of all amounts actually collected, including any amounts collected on discounted transactions.

vi. The language of Company's LSSRS tariff provisions shall be consistent, in all aspects, to the language contained in the tariff of its interconnecting pipeline, Rocky Mountain Natural Gas Company (Rocky Mountain). In case of changes in tariff language concerning the LSSRS for Rocky Mountain, similar changes shall be made concurrently for Company. The LSSRS shall be collected only once from the end-use customers even though the LSSRS is flowed through both Company and Rocky Mountain.

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SALES SERVICE RATE SCHEDULE

1. REQUEST FOR SERVICE.

Upon request for gas service, the Company shall supply the Customer with gas service under the rate schedules, rules, terms, regulations and conditions contained herein, and as amended from time to time, which apply to the particular type of service for which the request is made. The customer agrees to abide by the Company's rate schedules, rules, terms, tariffs and regulations, as amended from time to time, as a condition of service.

2. THE CUSTOMER.

2.1 Only one class of service shall be furnished to an individual or corporation at a single address or location. A single request for service cannot apply to different locations. A single request cannot cover more than one meter.

- a. Residential Service. Residential service is defined as service provided for domestic general household purposes in a space occupied as living quarters, typically designed for occupancy by one family. Typical service would include, but not be limited to the following: separately-metered units, such as a single private residence, single apartment, mobile home, low income housing unit, nursing home unit, a parsonage paid by the church, low income housing paid by a housing authority, and employee housing paid by the government or business entity. In addition, auxiliary buildings on the same premises as the living quarters, used for residential purposes, will also be considered residential usage.
- b. Commercial Service. Commercial service is defined as service provided to non-residential premises such as a business enterprise in a space occupied and operated for non-residential purposes. Typical service would include, but not be limited to the following: nursing home, apartments, low income housing complex and a trailer park where natural gas is supplied through one meter, stores, offices, shops, restaurants, sorority and fraternity houses, boarding houses, hotels, service garages, filling stations, hospitals, schools, churches, service organizations, barber shops, beauty parlors, shopping malls, mining, oil and gas extraction, construction, communication, transportation and agricultural activities, excluding irrigation and crop drying as defined below in Section 2.1c. of this Sales Service Rate Schedule. These enterprises may also be supplied under an industrial rate.
- c. Irrigation and/or Grain/Crop Drying Service. Irrigation service is defined as service provided for pumping water for farm land irrigation purposes from an irrigation well. Grain/crop drying service is defined as service provided for drying grain or crops.



SALES SERVICE RATE SCHEDULE

- 2.2 For the sole purpose of applying Rule 4400 of the Commission’s Rules Regulating Natural Gas Utilities and Pipeline Operators, the following terms shall have the specified meanings:
- a. “Residential Customer” shall have the meaning set forth above in Section 2.1a. of this Sales Service Rate Schedule;
 - b. “Small Commercial Customer” shall mean any customers meeting the definition of “Commercial Service” set forth above in Section 2.1b. of this Sales Service Rate Schedule that are served under a sales service rate schedule. The Company makes no such distinction of a “Large Commercial Customer,” and
 - c. “Agricultural Customer” shall mean a customer taking service meeting the definition of “Irrigation and/or Grain/Crop Drying Service” set forth above in Section 2.1c. of this Sales Service Rate Schedule.



Advice Letter No. 227

Bentley W. Breland
Issuing Officer

Issue Date: February 20, 2008

Decision or
Authority No.

Sr. Vice President
Title

Effective Date: February 29, 2008

SALES SERVICE RATE SCHEDULE - continued

3. CUSTOMER DEPOSITS.

a. Deposit Requirement. On a non-discriminatory basis, and subject to the terms of Section 9.g of this Rate Schedule, the Company shall determine the requirement for a cash deposit from a Customer using the following criteria:

- i. The Company may request each new Customer to provide information to the Company when a request for service is made to determine if the Customer has previously been a Customer of the Company and to determine the Customer’s creditworthiness. The Company may request, but shall not require, a new Customer to provide a social security number.
- ii. If billing records are available for a Customer who has received previous service from the Company, the Company shall not require that Customer to make a new or additional deposit unless the records indicate recent or substantial past due amounts.
- iii. The Company shall not require a deposit from a Customer who provides written documentation of a twelve consecutive month good credit history from the utility from which that Customer received similar service. For purposes of this paragraph, the twelve consecutive months must have ended no earlier than sixty (60) days prior to the date of the Customer’s application for service for the Company.
- iv. The Company may, either at the time of the request for service or at any time thereafter, upon five (5) days’ written notice, request a security deposit to guarantee payment of current bills. A deposit will be requested if (1) the Company determines that the Customer has previously been a Customer of the Company and the Customer has an outstanding undisputed and unpaid service amount owed to the Company; (2) the Customer attempts to pay a utility bill with an insufficient funds check; (3) the Customer has two past due bills for utility service within a twelve-month period; (4) the Company has discontinued service to the Customer as provided in Section 9 of this Rate Schedule; or (5) the Customer’s TransUnion (or its successor) credit score is determined to be 599 or less.

b. Amount of Deposit

- i. The amount of a required security deposit shall not exceed the amount of an estimated ninety (90) days bill of the Customer for the premise to be served. However, if the Customer pays for service in advance, the deposit shall not exceed an estimated sixty (60) days bill. For purposes of establishing deposit amounts and estimating monthly bills, the Company shall consider the length of the time the Customer can reasonably be expected to take service, past consumption history of the subject premises, end use of the service, consumption history of other similar customers, and any applicable tariffs, rules and regulations.
- ii. The Company will accept either a guarantor, a surety bond or letter of credit in lieu of a cash deposit, pursuant to the Commission’s Rules Regulating Gas Utilities and Pipeline Operators.



SALES SERVICE RATE SCHEDULE - continued

- iii. When it becomes necessary for the Company to demand a deposit or an increased deposit, the Customer may elect to be billed in four (4) equal monthly installments on the Customer's regular gas service bill.
- iv. The security deposit will be applied to amounts owed for gas service for disconnection purposes. Failure to pay the billed security deposit payment shall subject the Customer to procedures for disconnection of service for non-payment.
- v. Simple interest shall be paid by the Company on a deposit. Such interest shall be applied annually to the Customer's account; or upon return of the deposit, for the time the deposit is held by the Company and the Customer is served by the Company.



Advice Letter No. 227

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SALES SERVICE RATE SCHEDULE - continued

- vi. The rate of interest paid on deposits will be as established from year to year by the Public Utilities Commission of the State of Colorado under its Rules Regulating Gas Utilities and Pipeline Operators. The currently effective interest rate is 4.76% per annum. This interest rate shall remain in effect until changed by the Commission. Interest will be paid annually for those customer deposits on file on January 1 of each year or upon refund of the deposit. In the event a deposit is retained for periods longer than twelve months and interest is not paid annually, interest on the deposit amount shall accrue at the new interest rate for the time held in the new interest period.
- vii. Whenever a security deposit is accepted, the Company will issue the Customer a non-assignable receipt stating the Customer's name, place, date and the amount of deposit; the Company's name, address and signature of the Company employee receiving the deposit; current annual interest rate earned on the deposit; and a statement of the terms and conditions governing the use, retention and return of deposits.
- viii. This statement shall provide that deposits taken from a Residential or Small Commercial Customer who makes on-time payments of undisputed bills for utility service for a period of twelve (12) consecutive months shall be promptly credited with interest to the Customer's utility bill or shall be refunded upon Customer request.
- ix. The Company will maintain a record of all deposits received from Customers, showing the name of each Customer, the address of the premises for which the deposit is maintained, the date and amount of the deposit and the date and amount of interest paid.
- x. Deposits taken from all other customer classes of service who make on-time payments of undisputed bills for utility service for a period of twenty-four (24) consecutive months, shall be promptly credited with interest to the Customer's utility bill or shall be refunded upon Customer request.
- c. Transfer of Deposit. Security deposits shall not be transferable from one Customer to another Customer; however, upon termination of the Customer's service, the Company may transfer the deposit for service to that Customer's new service account.
- d. Return of Deposit. Upon termination of a service account, if the deposit is not transferred to a new service account, the Company shall refund the amount of the security deposit, plus accrued simple interest, less any unpaid gas service bills due the Company, to the Customer of record or an authorized representative. If the Company finds it impossible to make the refund due to a lack of knowledge of the Customer's whereabouts, the Company shall retain the deposit until the Customer notifies the Company. The Company will not be obligated to pay interest from the date service is discontinued. Deposits may be returned to the Customer by crediting the deposit and interest to the outstanding amount owed by the Customer or by refunding to the Customer by check. Any non-refundable deposit held by the Company in Colorado for more than one (1) year shall escheat or otherwise be disposed of pursuant to Rule 4403 of the Commission's Rules Regulating Gas Utilities and Pipeline Operators.

SALES SERVICE RATE SCHEDULE – continued

4. INFORMATION TO CUSTOMERS.

- a. The Company shall inform the Customer of any change made or proposed to be made in any term or condition of the Company's service that will affect the quality of the service provided.
- b. Upon request, the Company shall provide the following information to the Customer:
 - (i) A clear and concise summary of the existing rate schedule applicable to each major class of customers for which there is a separate rate;
 - (ii) An identification of each class whose rates are not summarized;
 - (iii) A clear and concise explanation of the existing rate schedule applicable to the Customer. This shall be provided within ten (10) Days of the Customer's request or, in the case of a new Customer, within sixty (60) Days of the commencement of service;
 - (iv) A clear and concise statement of the Customer's actual consumption or degree-day adjusted consumption of gas for each billing period during the prior year, unless such consumption data are not reasonably ascertainable by the Company; and
 - (v) Any other information and assistance as may be reasonably necessary to enable the Customer to secure safe and efficient service.
- c. Transmission shall be by any method as to assure receipt by the Customer of the information required to be provided pursuant to this Rule, including "bill stuffer," periodical or direct mail where the same is mailed to all the Customers.
- d. Any information required to be transmitted pursuant to this Rule shall be printed in English and a specific language or languages other than English where the Company's service territory contains a population of at least ten percent (10%) who speak a specific language other than English as their primary language as determined by the latest U.S. Census information.

5. This Section Reserved for Future Use.



SALES SERVICE RATE SCHEDULE – continued

6. **BILLS, DUPLICATE BILLS, FAILURE TO RECEIVE BILLS.**

Upon request, the Company shall advise the Customer of its approximate billing date each month. If a bill is not received or is lost, the Company shall, upon the Customer's request, issue a duplicate. Failure to receive a bill shall not relieve the Customer from making payment as provided for by the applicable tariff, rules and regulations.

7. **BUDGET BILLING PLAN.**

- a. The Budget Billing Plan is an agreement between the Customer and the Company, and is available throughout the year to each Customer receiving natural gas service for domestic and commercial purposes ("eligible Customer"). Such service is not available to large commercial, irrigation, grain drying and industrial Customers. The budget billing contract period or contract year shall be for a 12 consecutive month period starting with the Customer's first Budget Billing month.
- b. At the request of an eligible Customer, the Company will prepare an estimated bill for total gas service to be rendered during the yearly contract period. An estimated bill is a bill based on past usage adjusted for normalized weather and projected rates. Each monthly budget bill will be the total estimated yearly gas service cost divided by twelve (12) or part thereof.
- c. As a condition precedent to receiving service under the budget billing plan, an eligible Customer must request to be enrolled in the Company's Budget Billing Program. The budget billing plan may be terminated at any time by the Customer for any reason or the Company for any reason listed in d.
- d. The eligible Customer shall receive natural gas service through the budget billing plan under the following rules:
 - i. Each monthly payment becomes past due on the date specified on the bill pursuant to Section 8(a). An eligible Customer's failure to pay the monthly budget bill by the date specified shall be cause for termination of the budget billing plan by the Company.
 - ii. The election to pay for gas service under the budget billing plan in no way modifies or revokes the Company's rules, tariffs or regulations regarding penalties and disconnection for nonpayment of gas bills.
 - iii. The estimate shall only apply to the premises then occupied by an eligible Customer. If the premises are vacated during the contract period, the budget billing plan shall immediately terminate when the Company becomes aware of the vacancy.

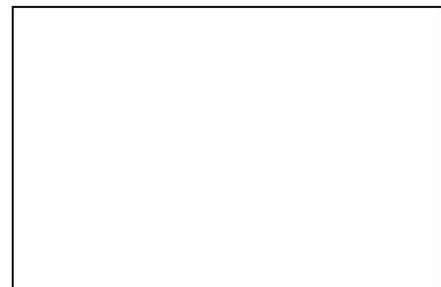


SALES SERVICE RATE SCHEDULE – continued

- iv. If the budget billing plan is terminated, any amount payable by or due to an eligible Customer shall be billed or credited to that Customer.
- v. Unless terminated by either the Company or an eligible Customer, the budget billing plan will be renewed automatically each year.
- vi. The budget billing accounts will be periodically reviewed by the Company. The monthly installment amount may be revised by the Company if it reasonably appears at the time of any review that the debit or credit balance at the end of a budget billing contract period will substantially exceed the estimate. Written notice of such change and the rationale for such change shall be provided to the Customer.
- vii. At the end of each contract year, the difference between the accumulated total amount of the Customer's billings, determined by meter usage and the accumulated total of the amounts paid up to and including the final month of the contract period, shall be added to or subtracted from the estimated yearly bill to determine the new yearly estimated bill for gas service or refunded at the Customer's request. The new yearly estimated total bill for gas service to be rendered during a new contract period, divided by twelve (12), will be the new budget amount to be paid each month.

8. BILLING AND PAYMENT.

- a. Billing Period. Bills will be rendered monthly at the rates shown in the Company's filed rate schedules and shall be due and payable on the bill due date. The bill due date shall be no earlier than fifteen (15) days subsequent to the billing date indicated on the bill.
- b. Meter Reading.
 - i. Company-Read Meters. The Company shall read gas service meters approximately every thirty days on various dates during the month.
 - ii. Customer Read Meters. Pursuant to an agreement with the Customer, if the regular meter reading is not possible, the Company may request the Customer to read the gas meter at regular intervals approximating a billing period. Each request for a reading by the Customer shall be on a printed form provided by the Company. The form shall contain instructions as to the method of reading the meter. Meter readings may be called in or mailed in using the prepaid postage card. Meter readings by the Customer shall be construed as an estimated bill, which may be used for billing purposes, but such readings shall not be considered final. To verify estimated Customer meter reading billings, the Customer's meter may be read periodically by the Company.



SALES SERVICE RATE SCHEDULE - continued

c. Customer Billing.

i. Contents of Bill.

- (1) Among other information, the Customer's bill will show the meter reading at the beginning and the end of the period for which the billing is rendered; the date of the last reading; the date of the bill; the volume of gas supplied; the amount of franchise or similar taxes, sales tax and tax total due; the amount of any additional charges which are past due, collection, connection, or disconnection charges, installment payments, and other utility charges authorized by any tariff or rule; and the net amount of bill. Bills to transportation service Customers also will show (1) the Company's non-gas costs, on a per unit basis, if practicable, and in total, billed to the Customer for the billing period; (2) the Company's gas costs, on a per unit basis if practicable and in total, billed to the Customer for the billing period; and (3) and sufficient information to allow the Customer to derive any per unit rates that were not shown on the bill. Bills to sales service Customers also will show (1) the Company's non-gas costs, on a per unit basis if practicable and in total, billed to the Customer for the billing period; (2) the Company's gas commodity costs (including the component of the GCA that recovers prior over- or under-recoveries of GCA costs), on a per unit basis if practicable and in total, billed to the Customer for the billing period; (3) the Company's upstream services costs, on a per unit basis if practicable and in total, billed to the Customer for the billing period; and (4) and sufficient information to allow the Customer to derive any per unit rates that were not shown on the bill. If the payment is being made pursuant to the Budget Billing Plan (Section 6), the bill will indicate the accumulated total of actual amounts paid to date as compared to the accumulated total Customer billings determined by the meter usage.
- (2) The Company may include on the bill for utility services other charges for non-regulated services. Non-regulated services are those not authorized by tariff or otherwise specifically regulated by the Commission, including but not limited to, the sale of merchandise, installation or services performed in connection with merchandising and other non-regulated services. Charges for non-regulated services shall be indicated separately from charges for utility service. If a section of the bill includes a charge for a non-regulated service, that section shall indicate to the Customer that the failure to pay the charge for the non-regulated service is insufficient grounds for terminating utility service. If the Customer makes a partial payment on the bill, the Company shall credit payment first to the oldest balance due of any tariff charges, then to special tariffed charges such as insufficient funds check charges as assessed by the bank and insufficient funds check amounts, then to current utility service, then to additional non-regulated utility charges, unless otherwise directed by the Customer.



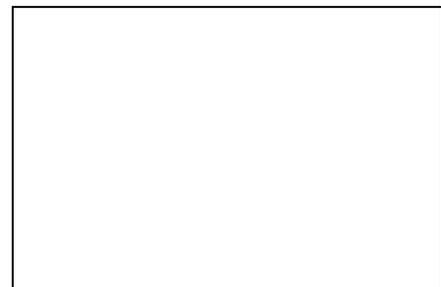
SALES SERVICE RATE SCHEDULE - continued

c. Customer Billing. (continued)

i. Contents of Bill. (continued)

(1) Special Charges. A Customer's bill shall also include, as applicable, the following special charges:

- a. Reconnection Charge. The reconnection charge after the Customer's service has been disconnected under Section 9 of this Rate Schedule or when service is discontinued temporarily at the request of the Customer shall be the Company's standard hourly service charge of \$33.00, pursuant to the Schedule of Special Charges. Service shall be deemed to be discontinued temporarily at the request of the Customer if a Customer requests reconnection of service within one (1) year at the same location where such Customer had disconnected or terminated previously. If the connection takes place after normal working hours, the Customer will be charged \$49.50 for after-hours connection and \$66.00 for weekend or holiday connection. In addition, the Company may require a security deposit as specified in Section 3 of this Rate Schedule before service is reconnected.
- b. Bill Collection Charge. A bill collection charge of \$8.25, pursuant to the Schedule of Special Charges, may be collected from the Customer when a service call is made for discontinuance of service and Customer avoids discontinuance by payment of the past due bill or by entering into a written payment agreement with the Company.
- c. Insufficient Funds Check Charge. The Company may require from the Customer a charge of \$16.50, pursuant to the Schedule of Special Charges, as allowed by law, regulation, or by Company policy, for each check returned for insufficient funds or returned for any other reason. In addition to the Company's insufficient funds check charge, the Customer must pay any fee assessed to the Company by the bank.
- d. New Service Charge. The Company may assess a charge of fifteen dollars (\$15) for establishing service to a new account.



SALES SERVICE RATE SCHEDULE – continued

c. Customer Billing. (continued)

ii. Estimated Bills.

(1) The Company may estimate the Customer's consumption for a billing period, and bill accordingly, under estimating procedures allowed by rules, regulations and tariffs as necessary. Billings based on estimated usage may be issued including, but not limited to, extreme weather conditions, emergencies, work stoppages, equipment failure, or other circumstances beyond the Company's control which prevent actual meter readings; when the Company is unable to reasonably obtain access to the Customer's premises for reading of the meter after unsuccessful efforts to obtain the Customer reading of the meter such as by mail or by leaving a pre-addressed form which the Customer may use to note the reading; when the Customer does not furnish a meter reading as requested by the Company; or when Section 12, Inaccuracy of Registration and Meter Failure, is applicable.

(2) When the Company issues a billing based on estimated usage, it shall maintain accurate records concerning such estimates, shall indicate on the billing that the usage was estimated, and shall make any appropriate adjustments upon a subsequent reading of the meter in accordance with Subsection d. The Company may not render a bill based on estimated usage for more than three (3) consecutive billing periods or six (6) months, whichever period is less.

d. Adjusted Bills. All adjusted bills shall show the credit due to the Customer for amounts paid, or shall show the balance due and payable. A credit may be applied against subsequent billings, and if the amount is greater than \$10.00, the Customer may request a refund. When a balance is due and payable to the Company, the Customer may, upon request, pay the amount in equal monthly installments over a period of time mutually agreed upon by the Customer and the Company. The monthly installment period shall not be less than the number of months over which the error occurred or the bills were estimated.

e. Transfer of Account Balance. In the event of discontinuance or termination of service, the Company may transfer any unpaid balance to another active account of the Customer for the same class of service. Notwithstanding, in the event of failure of the Customer to pay a final bill at any metering point, residence or other location, the Company may transfer the unpaid balance to any successive service account opened by the Customer for the same class of service, and the Company may discontinue service, after proper notice, for the nonpayment of the transferred amount.

f. Under-Billing. In the event of under-billings not provided for under Section 13 of this Rate Schedule, the Company may charge for the period during which the under-billing occurred, with such period not to exceed six months. The customer may elect to enter into a payment arrangement on the under-billed amount. The payment arrangement shall be equal in length to the period in which the under-billing lasted, and shall not be subject to interest.

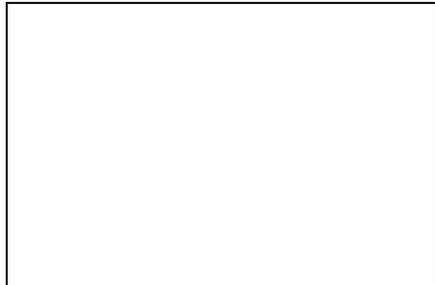
g. Over-Billing. In the event of over-billings not provided for under Section 13 of this Rate Schedule, the Company shall refund for the period during which the over-billing occurred, with such period not to exceed two years. The Customer may elect to receive the refund as a credit to future billings or as a one-time payment, not subject to interest.

SALES SERVICE RATE SCHEDULE – continued

9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE

a. The Company may discontinue or refuse service to any Customer for any of the following reasons:

- i. Customer request;
- ii. Existence of a dangerous condition on or about the Customer’s premises; as determined by the Company in its Standard Practices Manual;
- iii. Past due bill after proper notice has been given;
- iv. Customer causes, permits, or benefits from an unauthorized use, interference with, or a diversion of service on or about the Customer’s premises, after documentation and notification to the Customer - see Section 9.b.;
- v. Misuse of gas supply by the Customer which causes or may cause an unsatisfactory condition affecting the quality, safety, health or continuity of service to the Customer or other Customers;
- vi. Resale of or gift of natural gas by the Customer without written consent of the Company;
- vii. Failure by the Customer to provide previous payment information with the Company, pay a security deposit, pay an additional deposit, or guarantee, as required in Section 3.a.iv of this Rate Schedule;
- viii. Failure by the Customer to comply with any of the Company’s general terms and conditions for gas service or with applicable approved rate schedules, as amended from time to time.
- ix. Failure by the Customer to comply with curtailment orders issued by the Company;
- x. Obtaining service by fraud or subterfuge, which includes but is not restricted to, an application for service at a location in the name of another party by a Customer whose account is past due and who continues to reside at the premises;
- xi. After notification by the Company and during normal working hours (except in an emergency), the Customer refuses to allow authorized Company personnel into the Customer’s domicile for purposes of examining the piping, appliances, and other equipment relating to the Company’s service; ascertaining connected loads; and in one of the following situations:
 - (1) the Company is responding to a request for service which required that the gas be turned on;
 - (2) the Company has reasonable knowledge of a safety problem inside the domicile and has documented that knowledge, or



SALES SERVICE RATE SCHEDULE – continued

9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.

- a. continued
 - xi. continued
 - (3) the Company is obligated under the tariff to perform a service (such as switching out a meter), or complete an inspection where the service or inspection requires that the Company representative be inside the domicile.
 - xii. Company acting in cooperation with Civil Authorities;
 - xiii. Tampering with or destroying Company facilities;
 - xiv. Service is restored by someone other than a Company-approved third party when the original cause for proper disconnection has not been cured; or
 - xv. Any other reason where authority is specifically granted by Colorado statute or Commission Rule, provided, however, that service to residential Customers will not be discontinued under Subsection 9.b. of this section, except when discontinuance is pursuant to Section 9a.i, ii, iv, v, ix, x, xi, xii, xiii, or xiv.

b. Discontinuance of Service.

- 1. The Company shall not discontinue the service of any Customer for violation of any rule of the Company and/or for non-payment of any sum due for utility service, deposits or other tariffed charges, except in accordance with the Commission’s Rules Regulating Gas Utilities and Pipeline Operators.
- 2. Service shall not be discontinued:
 - a. for non-payment of any sum due which has not appeared on a regular monthly bill. The due date on the bill must be specifically indicated on the bill and the due date shall be no earlier than fifteen (15) days subsequent to the mailing or delivery of the bill;
 - b. for non-payment of any sum due which is less than thirty (30) days past due; nor shall any notice of intent to discontinue service be sent with respect to an amount which is not thirty days past due;
 - c. for non-payment of any sum due, on which payment arrangements have not otherwise been made, with respect to any other account presently or previously held or guaranteed by the Customer, or with respect to which the Customer was a beneficiary of service, unless the amount has first been transferred to the account on which notice may be given and displayed on the regular monthly bill. In such event, the amount transferred shall be considered “due” on the regular due date of the bill on which it first appears as a transfer and shall be subject to notice the same as if it had been billed for the first time. No amount may be transferred unless the accounts are for the same class of service or unless the Customer has previously pledged the one account to secure the other;

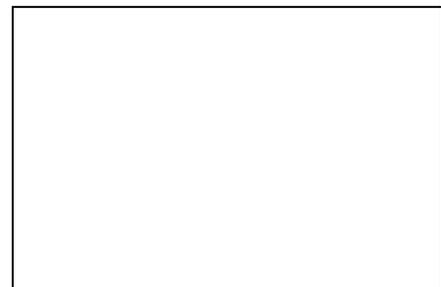
SALES SERVICE RATE SCHEDULE – continued

9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.

b. continued

2. continued

- d. for non-payment of any amount due on any other account on which the Customer is or was neither the Customer of record nor a guarantor, unless the Customer is or was a user obtaining service through fraud or subterfuge without the knowledge or consent of the named Customer of record.
- e. for non-payment of any amount due on any other account for which the present Customer is or was the Customer of record, in the event that the Customer provides to the Company convincing evidence that the account was established as a fraud or subterfuge by another user without the Customer’s knowledge or consent;
- f. for non-payment of any sum due from a previous occupancy of the premises who was a Customer of record. However, the Company may give notice of intent to discontinue service, as for a rule violation, and upon expiration of the notice may decline to continue to furnish service if the Company believes the service is being obtained by a past due Customer by fraud or subterfuge in any manner. Fraud or subterfuge includes, but is not restricted to, an application for service at a given location in the name of another party by an applicant whose account is past due and who continues to reside or do business at the premises;
- g. for failure to pay any indebtedness except as incurred for utility service rendered by the Company in the State of Colorado;
- h. between 12 noon on Friday and 8:00 a.m. the following Monday, or between 12 noon on the day prior to and 8:00 a.m. on the day following any state, federal or Company observed holiday;



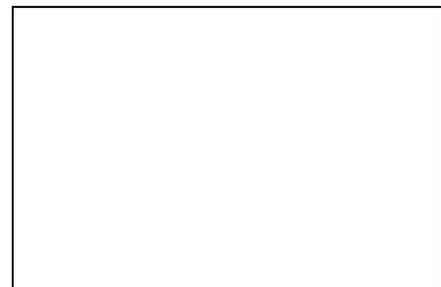
SALES SERVICE RATE SCHEDULE – continued

9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.

b. continued

2. continued

- i. until the Company has made a reasonable effort to give notice of the proposed discontinuance in person or by telephone both to the residential Customer (or to a resident of the Customer’s household 18 years of age or older) and to any third party who is listed by the Customer on a third-party notification form. “Reasonable effort” shall be, at a minimum:
 - (i) at least 24 hours prior to the proposed discontinuance to make telephone contact at the telephone numbers that the Customer and any third party requiring notice may provide for the purpose, to remind the Customer of the pending discontinuance and the terms to avoid same; or
 - (ii) at least 24 hours prior to the proposed discontinuance to make personal contact at the location of service to remind the Customer of the pending discontinuance and the terms to avoid same; or having tried and failed to make contact in person, leaving written notice of the attempted contact and its purpose; or
 - (iii) at least one of each of the above-described attempts.
- j. in the event a Customer at any time offers full payment of the amount shown on the notice by money order or bona fide check to a Company employee authorized to receive payment. Any employee dispatched to discontinue service must be authorized to receive payment. This provision shall not preclude the Company, by tariff rule and rate, from making a reasonable charge for a service call; however, payment of the charge shall not be required as a condition to avoid discontinuance;
- k. if a residential Customer pays, on or before the expiration date of the notice, at least one-tenth of the amount shown on the notice and enters into a reasonable installment payment plan with the Company, as elsewhere provided in this rule; or



SALES SERVICE RATE SCHEDULE – continued

9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.

b. continued

2. continued

1. Safety and Health – Non Discontinuance or Restoral. Service may not be discontinued, or if already discontinued, must be restored, during any period when discontinuance of service would be especially dangerous to the health or safety of the residential Customer or a permanent resident of the Customer’s household.

(i) Discontinuance of service that would be especially dangerous to the health or safety of the residential household means that discontinuance of service would aggravate an existing medical condition or create a medical emergency for the Customer or a permanent resident of the Customer’s household. This shall be deemed to be the case when a physician licensed by the State of Colorado, or a health practitioner licensed by the State of Colorado and acting under a physician’s authority, makes a certification and the certification is received by the Company in writing. This certification shall be incontestable by the Company as to medical judgment, although the Company may use reasonable means to verify the authenticity of the certification.

(ii) In the event a medical certification is delivered to or received by the Company, the non-discontinuance of service shall be effective for sixty (60) days from the date of the medical certification. One thirty-day extension of non-discontinuance of service may be effected by the delivery to or the receipt by the Company of a second medical certification, prior to the expiration of the initial sixty-day period.

(iii) A residential Customer may invoke the provisions of this subsection no more than once during any period of twelve consecutive months, the period is said to begin on the first date the medical certification is presented.



SALES SERVICE RATE SCHEDULE – continued

9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.

b. continued

2. continued

1. continued

(iv) A Customer who invokes this subsection may request an installment payment plan arrangement on or before the last day covered by a medical certification or the extension. A customer who already has entered an installment payment plan arrangement and who has not broken arrangements prior to invoking this subsection may renegotiate the installment payment plan arrangement on or before the last day covered by a medical certification or the extension. A Customer who already has entered an installment payment plan arrangement but has broken arrangements prior to invoking this subsection must pay, on or before the last day covered by the medical certification or the extension, all amounts that would have been paid up to that date had arrangements not been broken, and resume the installment payment plan arrangement, in order to avoid discontinuance of service.

3. Non-Discontinuance of Service – Special Circumstances. Service to a residential Customer shall not be discontinued when a landlord has signed the Company’s Landlord Agreement indicating that the Landlord is to be notified when a Customer tenant is to be disconnected, the Company will notify the landlord of the impending disconnection at the same time as the tenant by mail. If the landlord has so indicated on the Company’s Landlord Agreement, gas service shall be put in the landlord’s name on the disconnect date without further action by the landlord.

4. Additional Conditions Not Sufficient for Discontinuance of Service. The following conditions are not to be considered sufficient cause to discontinue service:

- a. Failure to pay for special services not authorized by tariff or otherwise regulated by the Commission;
- b. Failure of the Customer to pay any or all portions of a bill which is reasonably in dispute, provided that the Customer pays that portion of the bill which is not in dispute;
- c. Termination is during any period which may endanger health because of such factors as weather extremes;
- d. It is on any day in which the Company cannot reconnect service;
- e. There is money owed due to the Company’s meter reading or billing error and the Customer enters into and complies with written payment arrangement;



SALES SERVICE RATE SCHEDULE – continued

9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.

c. Requirement for Written Notice.

1. Whenever reference is made herein to a notice or other document being mailed or delivered, that phrase shall mean that the notice or other document is either deposited in the United States mail, or physically delivered to the address of the addressee, and does not necessarily include actual physical receipt by the addressee.

2. Written notice of proposed discontinuance of service must be mailed by first class mail, or delivered at least fifteen (15) days in advance of the proposed disconnect date.

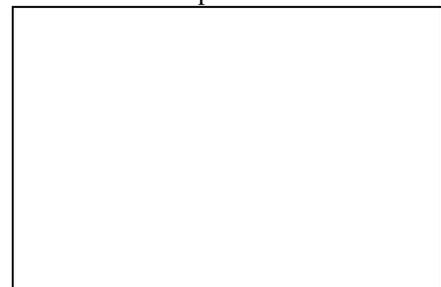
3. The notice of discontinuance shall be conspicuous in nature and in easily understood language. The heading of the notice of discontinuance shall be in block capital letters. The heading shall contain, as a minimum, the following warning written in English:

THIS IS A FINAL NOTICE OF DISCONTINUANCE OF GAS UTILITY SERVICE AND CONTAINS IMPORTANT INFORMATION ABOUT YOUR LEGAL RIGHTS AND REMEDIES. YOU MUST ACT PROMPTLY TO AVOID UTILITY SHUT OFF.

The heading and notice shall also be printed in a specific language or languages other than English where the Company’s service territory contains a population of at least ten percent (10%) who speak a specific language other than English as their primary language as determined by the latest U.S. Census information.

4. At a minimum, said notice shall advise the Customer:

- a. the reason for the discontinuance of service and the particular rule (if any) which has been violated;
- b. the amount past due for utility service, deposits or other regulated charges, if any;
- c. the date by which an installment payment plan must be entered into or full payment must be received in order to avoid discontinuance of service;
- d. how to contact the Company, without expense to the Customer of a toll call, from within the Company’s service area, to resolve any dispute, with respect to the amount or date due, and/or with respect to the violation of any rule;
- e. that the Customer has the right to make an informal complaint to the Commission staff , pursuant to the Commission’s Rules Regulating Gas Utilities and Pipeline Operators, by letter, telephone, or in person, and the notice shall provide the Commission’s address and phone number;



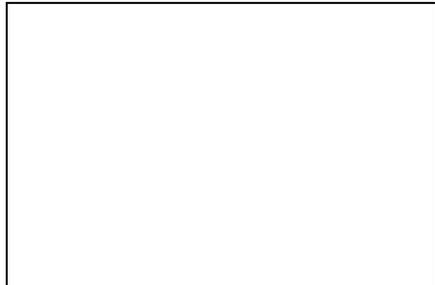
SALES SERVICE RATE SCHEDULE – continued

9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.

c. continued

4. continued

- f. that the Customer has a right to submit any dispute, concerning the notice, to a formal hearing by filing a written formal complaint with the Commission, as provided for in the Commission’s rules, and also to file with the complaint a motion for an order to the Company not to disconnect service pending the outcome of the hearing;
- g. that the Commission may grant the Customer’s motion upon the terms that the Commission deems reasonable, including but not limited to the posting of a deposit or bond with the Company or by timely payment of all undisputed charges;
- h. that a residential Customer may avoid discontinuance of service by paying, on or before the expiration date of the notice, at least one-tenth of the amount shown on the notice and entering into a reasonable installment payment plan with the Company to pay the remaining past-due balance in equal monthly installments, according to the provisions of the Commission’s Rules Regulating Gas Utilities and Pipeline Operators;
- i. that in the event a residential Customer is unable to pay for service as regularly billed by the Company, or is able to pay for such service but only in reasonable installments and a medical certification is delivered to the Company indicating that discontinuance of service would be especially dangerous to the health or safety of a residential Customer or a permanent resident of the residential Customer’s household, that there will not be discontinuance of service for sixty days from the date of the medical certification. One thirty-day extension of non-discontinuance of service may be effected by the delivery to or the receipt by the Company of a second medical certification, prior to the expiration of the initial sixty-day period;
- j. that in the event service is discontinued for non-payment, service may be restored if a residential Customer pays any reconnection and collection charges as may be specifically required in the event of a discontinuance according to the Company’s tariff and enters into an installment payment arrangement; or if the Customer presents a medical certification;
- k. that qualified low-income Customers may be able to obtain financial assistance to assist with the payment of the utility bill and that more detailed information on that assistance may be obtained by calling the Company’s toll-free number as stated on the notice. Unintentional error, by omission or incorrectness, by the Company in providing such information shall not render the notice void;



SALES SERVICE RATE SCHEDULE – continued

9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.

c. continued

4. continued

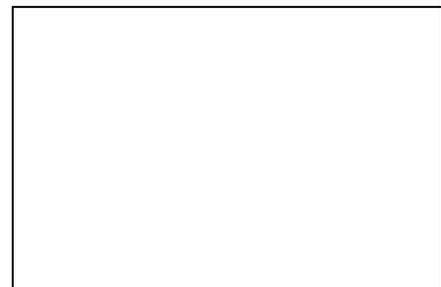
l. whether the Company will require, as a condition of avoiding discontinuance or of restoring service if discontinued, payment of special charges, such as reconnection or collection charges; and

m. how and where the Customer can pay or enter into an installment payment plan prior to the discontinuance of service.

5. In the event the Customer has executed a third-party notification form indicating a third party to whom notices of discontinuance are to be sent, written notice also shall be mailed by first class mail or delivered at least fifteen (15) days in advance of the proposed discontinuance date to the third party. The Company shall furnish the third-party notification form to each new residential Customer. The Company shall also inform all residential Customers at least annually of the availability of the third-party notification form and the method of obtaining a copy of the form. The Customer, at their option, may mail or deliver to the Company the third-party notification form, which shall be signed by both the Customer (or his legal representative) and by the third party to be notified in the event of a possible discontinuance of service.

6. Energy Diversion Equipment and Tampering. If any energy-consuming devices are discovered connected before the Company’s meter, or if connections or devices of any kind are found installed on the Customer’s premises which would prevent the meter from registering the actual amount of energy used, written notice shall be given for the rule violation, giving the Customer fifteen (15) days in which to remove or correct the devices or connections, and advising the Customer of the possibility of an estimated bill for energy consumed but not properly registered. Or, the Company may elect to remove or correct the devices or connections itself. In the latter event, any momentary interruption of service necessary for the purpose of repair or remedy shall not constitute discontinuance, and shall not require advance notice. However, written notice shall be left at the premise, advising the Customer of the nature of the violation, the steps taken by the Company to correct it, and the possibility that the Customer may be billed for estimated consumption not properly registered.

The discovery of a broken seal or any evidence that the meter has been tampered with shall not constitute cause for discontinuance, by itself. Rather, the Company shall mail or deliver a written notice advising the Customer of the discovery, the steps to be taken by the Company to determine whether non-registration of energy has occurred, and the possibility that the Customer may be billed for estimated energy consumed but not registered.



SALES SERVICE RATE SCHEDULE – continued

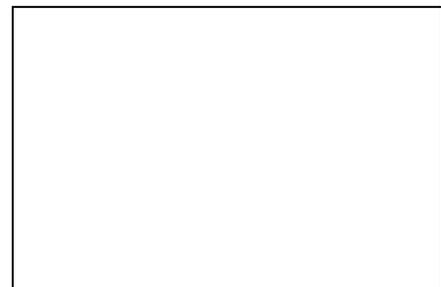
9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.

c. continued

7. The foregoing requirements for written notice are not required if one of the following applies:

- a. when, in the opinion of the Company, an immediate discontinuance of service to the premises is imperative for reasons of safety. Such reasons might include a condition or installation of any part of the Customer’s or the Company’s lines, pipes, apparatus or appliances which is found to be dangerous to life, health or safety of any person;
- b. when discontinuance is ordered by any properly constituted governmental authority due to violations by the Customer of the ordinances, statutes or regulations applicable to the service. The Company shall not be responsible for ascertaining such conditions;
- c. when service, having been discontinued by the Company in accordance with this rule, is discovered restored by someone other than the Company and the original cause for the discontinuance has not been cured.
- d. if the Company discovers any connection or device installed on the Customer’s premise which would prevent the meter from registering the actual usage; and
- e. if the Company discovers that the Company-owned equipment has been tampered with or that service has been diverted.

Remainder of Sheet has been left blank intentionally.



SALES SERVICE RATE SCHEDULE – continued

9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.
c. continued

8. Multi-Unit Dwellings. In situations involving permanent residents in multi-unit dwellings, or a cluster of dwellings, known by the Company to exist, where the utility service recorded on a single meter is used either directly or indirectly by more than one dwelling unit, the Company shall issue notice as required in Rule 4408(i) of the Commission’s Rules Regulating Gas Utilities and Pipeline Operators, except that the notice period shall be thirty (30) days and except that the notice also may include the current bill. Service may be discontinued for failure to pay the amount on the notice, subject to the other provisions of this paragraph 8.a, b, c, d, and e.

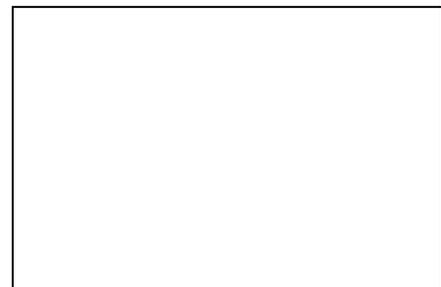
a. No less than thirty (30) days prior to the proposed date of discontinuance, the Company also shall provide written notice to each individual dwelling unit, in the manner set forth in Rule 4408(i) of the Commission’s Rules Regulating Gas Utilities and Pipeline Operators. The notice shall state that a notice of discontinuance has been sent to the party responsible for the payment of utility bills for the dwelling; the proposed date of discontinuance; that the occupants of the dwelling units may avoid discontinuance by paying the next new bill in full within thirty (30) days of its issuance and successive new bills within thirty (30) days of issuance; how to contact the Company for additional information or to make arrangements to receive a copy of the next new bill.

b. The notice to the occupants as described in Rule 4408(i) of the Commission’s Rules Regulating Gas Utilities and Pipeline Operators shall be delivered to each dwelling unit or mailed to the addressee or occupant of each unit. In addition, a copy of the notice shall, to the extent possible, be posted in at least one of the common areas of the multi-unit dwelling.

c. Service may not be discontinued if the party responsible for payment pays the amount on the notice or if the occupants pay each new bill within thirty (30) days of issuance.

d. The occupants shall not be entitled to installment payments or any payment plan other than paying each new bill in full within thirty (30) days of issuance to avoid discontinuance.

e. Service may be discontinued, without further notice or attempt at personal contact, for failure of the occupants to pay each new bill within thirty (30) days of issuance.



SALES SERVICE RATE SCHEDULE - continued

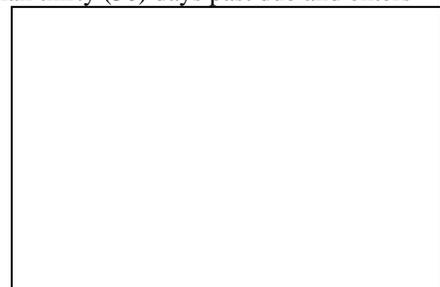
9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.

d. Restoration of Service. Service must be restored within 24 hours after the Customer satisfies any one of the provisions set forth in this paragraph 9.d., or within 12 hours if the Customer pays any necessary after-hours charges, unless safety or extenuating circumstances prevent restoration. If it is required by the Company’s safety standards that the Customer or someone designated by the Customer be at the premise at the time of restoration, then the unavailability of the Customer (or designee) shall be an extenuating circumstance. Service must be restored after the Customer:

1. pays in full the amount shown on the notice, plus any deposit and/or fees as may be specifically required by the Company’s tariff in the event of discontinuance of service, or
2. pays, at a minimum, any reconnection and/or collection charges as may be specifically required in the event of discontinuance according to the Company’s tariff, enters into a reasonable installment payment plan with the Company, as elsewhere provided in this rule, and makes the first installment payment. This provision shall not apply if the cause for discontinuance was the Customer’s breach of arrangements; or
3. presents a medical certification, as elsewhere provided in this rule; or
4. notifies the Company, and the Company confirms, that the cause for discontinuance, if other than non-payment, has been cured.
5. If the Customer requests reconnection of service after hours, the Company shall advise the Customer, prior to reconnection, of any charges that will be incurred by the Customer for the after-hours reconnection and the Customer agrees to pay such charges.
6. Notwithstanding other provisions of Section 9 of this Rate Schedule, the Company will not charge for reconnection of service when the disconnection was made for the Company’s purposes.

e. Installment Payment Plan.

1. Installment payment plan arrangements must be made if a residential Customer fulfills one of the following conditions:
 - a. on or before the expiration date of the notice of discontinuance, pays at least ten (10) percent of the amount shown on the notice and enters into installment payment plan arrangements;
 - b. on or before the last day covered by a medical certification or extension thereof, pays at least ten (10) percent of any amount more than thirty (30) days past due and enters into installment payment plan arrangements;



SALES SERVICE RATE SCHEDULE - continued

9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.

e. continued

1. continued

c. if service has been discontinued, pays at least any collection and/or reconnection charges and enters into installment payment plan arrangements, unless such arrangements already have been breached; or

d. if the plan is to pay regulated charges from past billing period and the past due amount arises solely from events under the Company’s control, such as billing errors, meter read errors or meter failures.

2. Installment payment plan arrangements must be made with respect to any and all of the following amounts as may be applicable at the time the request for arrangements is made. The total amount on which an arrangement is made shall be referred to as the “arrangement amount.” The “arrangement amount” shall include:

a. the unpaid remainder of the amount shown on the notice;

b. any amounts not included in the amount shown on the notice which have since become more than 30 days past due;

c. the current bill. “Current bill” refers to any bill which is past due but is less than 30 days past the due date;

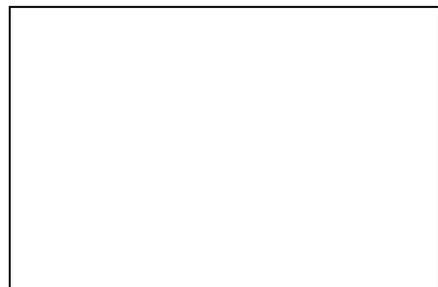
d. any new bill. “New bill” refers to any bill which has been issued but is not past due;

e. any collection fees as provided for in the Company’s tariff, whether or not such fees have appeared on a regular monthly bill;

f. any deposit, whether already billed, billed in part, or required according to the Company’s tariff due to discontinuance or past due amounts or to establish initial credit. This paragraph shall not apply to deposits required by Company’s tariff as a condition of initiating service, but shall apply to deposits required subsequent to initiation of service; and

g. any other charges or fees provided for in the Company’s tariff, whether or not such charges have appeared on a regular monthly bill, including but not limited to miscellaneous service charges, collection charges, investigative charges, or insufficient funds check charges.

3. The terms of an installment payment plan arrangement, including a “modified budget billing” arrangement, must be explained and offered to each residential Customer who contacts the Company in response to a notice of discontinuance. Terms for arrangements are set forth in paragraph 9e.5.a., b. and c.



SALES SERVICE RATE SCHEDULE - continued

9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.
e. continued

4. Any Customer who agrees to enter into an installment payment plan arrangement shall be provided a copy of this part 4 of this rule, together with a statement of the payment arrangement as agreed upon by the Customer and the steps the Company will take if the Customer does not abide by the payment plan. The copy and statement must be provided by mail or delivered within seven (7) days after the arrangement is agreed upon. The copy shall include a prominent heading, in English:

YOUR RIGHTS AND RESPONSIBILITIES CONCERNING INSTALLMENT PAYMENT PLAN ARRANGEMENTS

The heading shall also be printed in a specific language or languages other than English where the Company’s service territory contains a population of at least ten percent (10%) who speak a specific language other than English as their primary language as determined by the latest U.S. Census information.

5. Installment Plan Arrangement. An installment payment plan arrangement shall consist of equal monthly installments over a period of time selected by the Customer, up to six (6) months. The amount of the monthly installment payment shall be the arrangement amount divided by the number of months over which the payments are to be made.

a. The first monthly installment payment shall be due, together with the new bill unless the new bill has been made part of the arrangement amount, on the due date of the new bill.

b. The second and succeeding monthly installment payments shall be due, together with the new bill, on the due date of the new bill.

c. As an alternative payment arrangement, the Customer may choose a modified “budget billing” arrangement, under which the arrangement amount shall be added to the preceding year’s total billing to the Customer’s premises, modified as necessary for increases in base rates or cost adjustments, and the resulting total shall be divided into equal monthly installment payments to be billed as other “budget billing” accounts are billed, in eleven (11) equal monthly payments followed by a settlement billing in the twelfth month.

6. Any monthly installment payment or modified budget billing payment not paid on the due date of the new bill shall be considered “in default.” Any new bill which is not paid by the due date shall be considered “past due.”



SALES SERVICE RATE SCHEDULE - continued

- 9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.
 - e. continued

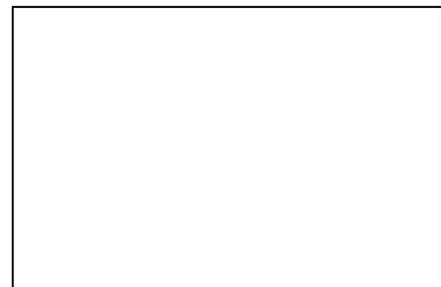
- 7. In the event a monthly installment payment becomes in default and/or a new bill becomes past due, the Company shall mail or deliver a written notice, with a heading in English:

NOTICE OF BROKEN ARRANGEMENTS.

The heading shall also be printed in a specific language or languages other than English where the Company’s service territory contains a population of at least ten percent (10%) who speak a specific language other than English as their primary language as determined by the latest U.S. Census information.

This notice shall advise the Customer, at a minimum:

- a. that service may be discontinued if the monthly installment payment is not received by the Company within ten (10) days after the notice is sent or delivered;
 - b. that service may be discontinued if payment for the current bill is not received by the Company within thirty days after its due date;
 - c. that if service is discontinued, the Company may decline to provide further service until all amounts more than thirty days past due have been paid, together with any collection or reconnection charges; and
 - d. that the Customer has certain rights if the Customer or a member of Customer’s household is seriously ill or has a medical emergency.
- 8. Service may be discontinued to a Customer whose monthly installment payment remains in default after the fifteenth (15th) day following the mailing or delivery of a notice of broken arrangements or whose current bill becomes more than thirty days past due and to whom a notice of broken arrangements has been mailed or delivered, unless the Customer presents a medical certification, as elsewhere provided in this rule.



SALES SERVICE RATE SCHEDULE – continued

9. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE – contd.

e. continued

9. If service is discontinued for broken arrangements, the Company may decline to restore service until all amounts more than thirty days past due have been paid, together with any collection and/or reconnection charges and interest as may be provided for in the Company’s tariff. However, discontinued service must be restored if the Customer presents a medical certification, as elsewhere provided in this rule. Service may be discontinued without further notice upon the expiration of such medical certification, or extension thereof, and the terms for restoration shall be the payment of all amounts more than thirty days past due, together with any collection and/or reconnection charges and interest as may be provided for in the Company’s tariff.

10. A customer whose monthly installment payment is not in default and whose new bill is not past due may renegotiate an installment payment plan arrangement. A renegotiated installment payment plan arrangement may consist of a lesser installment payment amount to be paid in a greater number of months, provided that the original arrangement amount is paid in no more than six (6) months from the date the original installment payment plan arrangement was entered into.

11. Nothing in this rule shall be construed as to prevent the Company from offering any other installment payment plan arrangement terms to avoid discontinuance or terms for restoration, when the offer is at least as favorable to the Customer as the terms and conditions set forth in this rule or to which the Customer agrees.

f. Termination at the Customer’s Request. The Company shall make every reasonable effort to terminate the Customer’s service on the day requested by the Customer. If the termination will occur after normal working hours due to the Customer’s request, the Company will advise the Customer that Customer will be charged \$49.50 for after-hours termination and \$66.00 for weekend or holiday termination.

g. Refusal to Serve Applicant.

i. The Company may refuse to provide service to an applicant who has an outstanding unpaid bill with the Company incurred for utility service within the State of Colorado until the applicant pays in full or enters into a satisfactory written payment arrangement. In the event the amount is in dispute, the applicant shall make a special deposit in the amount of the disputed amount, and service will be rendered immediately. Upon settlement of the dispute, any amount owed the Customer will be promptly refunded.

ii. The Company may decline to serve a prospective Customer or to change materially the service to an existing Customer, if, in the best judgment of the Company it does not have adequate facilities to render the service applied for or if the desired service appears to be unsafe, or is of a character that is likely to adversely affect service to another Customer.



SALES SERVICE RATE SCHEDULE – continued

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Bentley W. Breland
Issuing Officer

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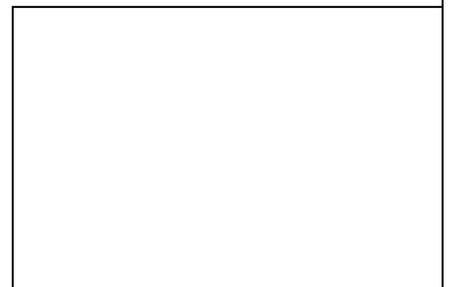
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SALES SERVICE RATE SCHEDULE – continued

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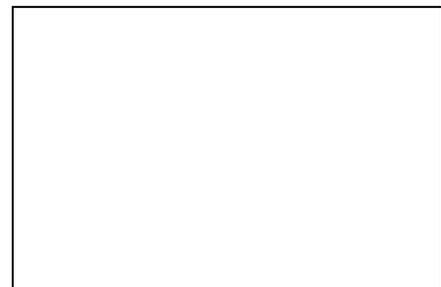
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SALES SERVICE RATE SCHEDULE - continued

10. CUSTOMER PIPING, FIXTURES AND APPLIANCES

- a. All gas piping, appurtenant facilities and gas-burning appliances or equipment located downstream of the service line, as defined in Section 18.a. of this Rate Schedule, and located at or within the Customer's property or premises shall be owned, maintained and controlled in a good and safe condition solely by the Customer and/or premises' owner in accordance with municipal regulation, the National Fuel Gas code, Company's rules, tariffs, terms, regulations and other applicable laws and regulations as amended from time to time. Except as otherwise required by law, the Company does not undertake to, or assume the obligation for, the inspection, testing, maintenance, or repair of equipment or facilities not owned by the Company. The Company may refuse to connect or continue service until the Customer remedies or corrects faults or defects involving Customer-owned facilities.
- b. The customer shall install and maintain the gas piping, fixtures and appliances on the Customer's premises either in accordance with the ordinances of the city in which the Customer is located or in accordance with the Company's standards. The Company may terminate service to the Customer immediately and shall give written notice of any defective Customer owned facility or unsafe conditions which may impair service or may result in injury or damage to any person or property. Refer to the Company's yellow tag and red tag procedures in the Company's Standards Practices Manual.
- c. The Company assumes no responsibility for the inspection and/or repair of defects in the Customer's piping, fixtures or appliances on the Customer's premises and will not be responsible for any injury, loss or damage resulting from such defects or improper installation, except where such loss, damage or injury is the result of the Company's sole active negligence or willful misconduct; see Section 16.a. below.



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SALES SERVICE RATE SCHEDULE - continued

11. DELIVERY PRESSURE OF GAS.

All gas will be delivered at the outlet side of the Company's meter at a pressure of not more than four (4) ounces per square inch gauge pressure. The average atmospheric pressure listed by the United States Weather Bureau will be used to establish the absolute pressure; provided, however, that gas delivered to Customers who use large volumes and require a pressure in excess of four (4) ounces shall be delivered at the pressure established by the Company for that particular installation.

12. HEATING VALUE OF GAS.

The minimum heating value (BTU) of natural gas distributed by the Company shall not be less than 950 BTU, dry base conditions and 14.73 pounds per square inch.

13. INACCURACY OF REGISTRATION AND METER FAILURE.

a. Should any meter be found to be running more than one percent fast when passing gas at 20 percent of its rated capacity at one-half inch water column differential, or should any rotary displacement type gas service meter in a size having a rated capacity of more than 5,000 cubic feet per hour is found to be more than one percent fast when passing gas at ten percent of its rated capacity or found to be one percent fast when passing gas at 100 percent of its rated capacity, the Company will refund 1/2 of the excess charge for the period dating from the discovery of the meter error back to the previous meter test, with such period not to exceed two years.

b. Should any meter be found to be running more than one percent slow when passing gas at 20 percent of its rated capacity at one-half inch water column differential, or should any rotary displacement type gas service meter in a size having a rated capacity of more than 5,000 cubic feet per hour be found to be more than two percent slow when passing gas at ten percent of its rated capacity or found to be one percent slow when passing gas at 100 percent of its rated capacity, the Company will charge for 1/2 of the under-billed amount for the period dating from the discovery of the meter error back to the previous meter test, with such period not to exceed six months.

c. Should any meter be out of service, not register, register intermittently, or partially register for any period, the Company shall estimate a charge for gas used, but not metered, for a period not to exceed six months, based upon the best data available, using the first of the following methods which shall be feasible:

- (1) By using the registration of any check meter or meters if installed and accurately registering;
- (2) By correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation; or
- (3) By estimating the quantity of gas usage comparing gas usage during a preceding or subsequent period under similar conditions, taking into account heating degree days, when the meter was registering accurately.

SALES SERVICE RATE SCHEDULE – continued

- d. The periods set out in subparagraphs a, b and c, above, shall commence on the earlier of either (1) the date on which the Customer notifies the Company or the Company notifies the Customer of a meter or billing error, or (2) the date on which the Customer informs the Company of a billing or metering error dispute or makes an informal complaint to the External Affairs section of the Commission.
14. CUSTOMER METER TEST REQUESTS. If the Customer requests a test of the accuracy of the Company's meter, the following provisions shall apply:
- a. The Company shall test the accuracy of any gas meter upon request of a Customer. The test shall be conducted free of charge if the meter has not been tested within the twelve month period prior to such requests and if the Customer agrees to accept the results of such test for the purposes of any dispute or informal complaint regarding the meter's accuracy; otherwise the Company may charge a fee for performing the test. The company shall provide a written report of the test results to the Customer and shall maintain a copy on file for at least two years.
 - b. Should a Customer request and receive a meter test and continue to dispute the accuracy of a meter, upon Customer's written request to the Company, the Company shall make the disputed meter available for independent testing by a qualified meter testing facility of the Customer's choosing. The Customer is not entitled to take physical possession of the disputed meter. To be a qualified meter testing facility, the testing facility must be capable of testing the meter to meet all meter standards and requirements of the CPUC rules.
 - c. If, upon completion of an independent test the disputed meter is found to be accurate within one percent when passing gas at 20 percent of its rated capacity at one-half inch water column differential, or a rotary displacement type gas service meter in a size having a rated capacity of more than 5,000 cubic feet per hour is found to be accurate within two percent slow or one percent fast when passing gas at ten percent of its rated capacity and found to be accurate within one percent slow and one percent fast when passing gas at 100 percent of its rated capacity, the Customer shall bear all costs associated with conducting the test. If, upon completion of an independent test as prescribed, the disputed meter is found to be inaccurate beyond the limits prescribed, the utility shall bear all costs associated with conducting the test.
15. INSPECTION BY COMPANY.
- a. The Customer, when notified in advance, at reasonable hours, and pursuant to Subsections b. and c. of this Section, shall permit authorized employees and inspectors of the Company, when properly identified, to enter upon and into the Customer's premises for the purpose of inspecting or repairing Company facilities and lines, conducting leak and cathodic protection surveys; visually examining the piping, appliances, and other equipment relating to the Company's service; ascertaining connected loads; or making other safety tests or inspections required by state or federal regulations.
 - b. The Company may not enter into the Customer's domicile pursuant to this section unless the Customer permits the Company to enter.
 - c. If the Customer refuses to allow the Company onto the premise, or into the domicile, in the situation delineated in Section 9.a.xi,1-3, the Company may, at its discretion and pursuant to the provisions of Section 9, discontinue or refuse service to the Customer.

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SALES SERVICE RATE SCHEDULE - continued

16. LIABILITY.

- a. The Company shall not be liable for any (1) injury to person, and/or (2) damage to or destruction of any property, resulting directly or indirectly from defective piping or appliances owned and controlled by Customer, unless a Company employee, in their official capacity, activates or continues service to the Customer with actual knowledge of such a defect or having had the opportunity, through the exercise of such reasonable care as a person with the ordinary skill and competence of a member of the Company employee's profession, to acquire the knowledge of such a defect.
- b. Company shall not be liable for injury to persons or damage to Customer's property caused by acts of God, fires, floods, strikes, riots, earthquakes, avalanches, war or any accident or contingency beyond its control.
- c. Customer shall be responsible for any damage to, or loss of, Company's property located upon Customer's premises caused by or arising out of carelessness, negligence, misuse, or interference by the Customer, the Customer's Agents or employees, or other persons not authorized by the Company. The cost of making good such loss or repairing such damage shall be paid by the Customer.
- d. Customer shall hold the Company harmless and indemnify it against all liability for injury to persons or damage to property occurring on Customer's piping, unless as to such incident a Company employee failed to exercise that degree of care which a reasonably careful person with the ordinary skill and competence of a member of the employee's profession would have exercised under the same or similar circumstances. In such event liability will be apportioned between Company and Customer in accordance with the degree of fault of each.

17. INTERRUPTION OF SERVICE.

- a. Company will exercise reasonable diligence and care to furnish the delivery of a continuous and sufficient supply of gas to Customer, and to avoid any shortage or interruption of delivery. Customer has been advised of, and the hazards of continuity of service are recognized by Customer and duly considered before utilizing Company's service. Company will not be liable for interruption, shortage or insufficiency of supply of gas, or any loss or damage occasioned thereby, if same is caused by accident, acts of God, floods, fire, strikes, riots, earthquake, avalanche, war or any other cause or contingency beyond its control.
- b. Company, whenever it shall find it necessary for the purpose of making repairs or improvements to its system, will have the right to temporarily suspend the delivery of gas. In such cases, the company shall make every reasonable effort to restore the service as soon as practicable. Interruptions in service shall not relieve the Customer from any charges for service actually rendered.



SALES SERVICE RATE SCHEDULE - continued

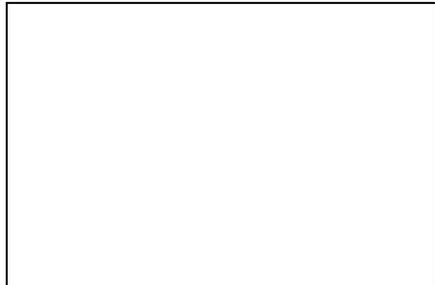
18. COMPANY AND CUSTOMER PIPING.

a. Definitions

- i. Mains – The natural gas distribution line that serves, or is designed to serve as a common source of supply for more than one Service Line. The Main ends at the Customer’s property line or at the inlet of the Customer’s meter, whichever is further upstream.
- ii. Service Line – A Company-owned natural gas distribution line that transports gas from a main to an individual Customer, to two adjacent or adjoining residential or small commercial Customers, or to multiple residential or small commercial Customers served through a meter header or manifold. A Service Line ends upstream of the meter, with the exception that under specifically identified instances where a Service Line is downstream of the meter, the Service Line may end at the connection to a Customer’s piping.
- iii. Yard Line – A Customer-owned buried natural gas line installed downstream of the meter.
- iv. Customer Piping – Customer-owned above ground piping or piping inside a structure downstream of the Service Line, Meter, or Yard Line.

b. Yard Lines. The Customer will own and maintain all Yard Lines subject to the following conditions or requirements:

- i. Subject to the terms of Section 18b.iv., the Customer shall be responsible for all costs relating to maintenance of Yard Lines. The owner of the piping and/or facilities shall be responsible for arranging and paying for any required maintenance and repair of said piping and/or facilities and all materials, installation and work performed must comply with all applicable laws and regulations. The owner of the piping and/or facilities shall provide the Company with an assurance acceptable to the Company that all materials, installation and work performed comply with all applicable specifications, laws and regulations before gas service will be restored or continued. The Company shall have no duty to inspect work performed by anyone other than the Company.
- ii. Liability. The private owner of any Yard Line and/or Customer Piping and/or facility shall be solely responsible for the loss or escape of any gas from said Yard Line and/or Customer Piping and/or facility, and shall be responsible for any resulting fire, explosion, injury or damage caused thereby. Nothing in this rule, or in any other tariff provision or regulations shall be construed to impose any liability on the Company for the loss or escape of gas from any Yard Line and/or Customer Piping or facility, or for any injury or damage caused thereby or otherwise related to any Yard Line and/or Customer-owned piping or facility.
- iii. Natural gas fuel lines installed downstream of the Service Line outlet (Downstream Fuel Line) will be installed at the Customer’s expense by the Company or a Company approved third party. The downstream fuel line will be owned and maintained by the Customer.



SALES SERVICE RATE SCHEDULE - continued

18. COMPANY AND CUSTOMER PIPING – continued

iv. The following conditions apply to replacement of Yard Lines:

(1) For Northeastern, North Central and Western Slope rate areas, any Yard Line installed prior to January 1, 1992 will be owned by the Customer until the line needs to be replaced, at which time the Customer will be notified in writing that the Customer may pay for the line replacement or repair and will retain the responsibility of maintenance, or the Customer could have the Company pay all costs associated with a typical replacement; however, the Customer will have to grant easement to the Company for the line and the line will become a Company-owned and maintained Service Line. Whenever reasonably possible, the meter will be relocated downstream of the newly established Company-owned and maintained Service Line. Replacement costs in excess of \$300 may be billed to the customer.

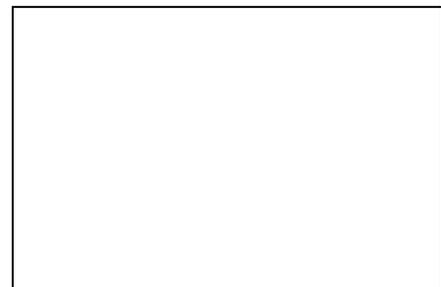
(2) For Arkansas Valley and Southwestern rate areas, any Yard Line installed prior to July 24, 2003 will be owned by the Customer until the line needs to be replaced, at which time the Customer will be notified in writing that the Customer may pay for the line replacement or repair and will retain the responsibility of maintenance, or the Customer could have the Company pay all costs associated with a typical replacement; however, the Customer will have to grant easement to the Company for the line and the line will become a Company-owned and maintained Service Line. Whenever reasonably possible, the meter will be relocated downstream of the newly established Company-owned and maintained Service Line. Replacement costs in excess of \$300 may be billed to the customer.

c. Service Lines. The Company will own, install, and maintain all Service Lines subject to the following conditions or requirements:

i. When a Service Line needs to be replaced, the Company shall notify the Customer of the anticipated date of work and the general concerns of the crew doing the work;

ii. The Customer shall be responsible for obtaining an easement from a third party if a planned Service Line will cross the property of a third party. The easement shall be granted to the Company, not to the Customer securing the easement for the Company;

iii. Under specifically identified instances, a natural gas Service Line connected downstream of the meter and upstream of the Yard Line shall be installed by the Company at the Company's expense and shall be thereafter owned and maintained by the Company.



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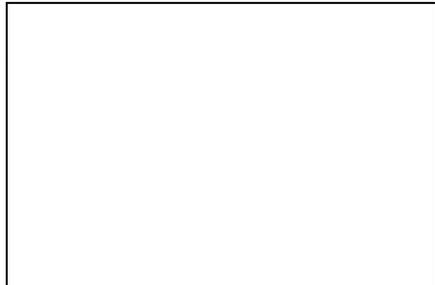
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SALES SERVICE RATE SCHEDULE - continued

19. CUSTOMER SERVICE CONNECTION, SERVICE LINE AND MAIN EXTENSION POLICY.
(Applicable to All Rate Schedules)

- a. Meters and Regulators. Within the Company’s service territory, the Company shall, at its expense, install Service Lines from mains to the Customer-owned Yard Line or Customer Piping, whichever is further upstream. The meters and meter connections always remain the property of the Company and may be removed when the service is terminated for any cause.
- b. Main and Service Line Extension Policy.
 - i. Within the Company’s service territory, the Company shall make such reasonable, economically viable extensions of the Mains of its system from time to time consistent with construction allowance as warranted by expansion and development of demand, subject to the Customer’s compliance with any prior contractual relationships involving the Company. The Company shall apply its Extension Policy in a non-discriminatory manner to all applicants under similar circumstances and conditions.
 - ii. Construction allowance for new Main or Service Line extensions offered to new Customers within the service territory will be limited to three hundred dollars (\$300) for either, but not both, Mains or Service Lines where the home or structure has primary gas heat and gas water heating or has gas appliance(s) with a comparable typical annual load on the Company’s system. Customer shall pay any costs (including installation) in excess of \$300. Installation will be performed by the Company or a Company-approved, DOT-qualified third party contractor.
 - iii. Any and all contractors used for excavation, backfill, or construction of Service Lines or Main extensions owned or operated by the Company must be approved by the Company.
 - iv. The Customer will be responsible for all Main or Service Line extension costs in excess of the \$300 construction allowance, as described above. In addition, the Customer and Company may sign a three-year agreement covering Advances for Construction for costs in excess of \$300 per connection paid to the Company for Main extensions. The additional costs paid to the Company may be refundable for the three-year period in the amount stipulated in the agreement for each subsequent Customer connected to the same Main extension, provided however that the refunds will not exceed the total amount of the contribution in advance to construction.
 - v. The Customer specifically agrees that the Company may make additional extensions from the original extension, and the Company shall have the right and privilege to do so without any refund obligation whatsoever to the Customer.
 - vi. The Company shall not be required to undertake to extend its Mains or to make service connections to provide gas service to any Customer’s premises located outside of the Company’s service area if such extensions would be uneconomical or discriminatory.



SALES SERVICE RATE SCHEDULE - continued

19. CUSTOMER SERVICE CONNECTION, SERVICE LINE AND MAIN EXTENSION POLICY – continued

b. Main Extension Policy - continued

- vii. In all cases where it is deemed desirable or necessary by the Company to construct a Main extension of greater capacity than that which is required for Customer in order to conform with future plans of the Company, the excess construction cost of the Mains shall be borne by the Company.
- viii. The Company shall bear the expense of any required maintenance, repair, or replacement of pipeline or facilities owned by the Company.
- ix. The Service Line and Main extension policy shall not apply to Customers behind a master meter system.
- x. The Customer may qualify for additional construction allowance from the Company if the Customer has an expected annual usage in excess of 112 Mcf. The additional construction allowance will be calculated at a rate of \$1.39 per Mcf of additional usage in excess of the 112 Mcf. The additional construction allowance shall be made on a sound economic basis and applied in a non-discriminatory manner to all applicants under similar circumstances and conditions.



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SALES SERVICE RATE SCHEDULE - continued

20. TEMPORARY SERVICE.

- a. In case of temporary service for short-term use, as distinguished from seasonal use, the Company shall require the Customer to pay all the costs of making the service connection and extension, and removing the material after service has been discontinued, or to pay a fixed amount in advance to cover such expense.
- b. If the material is removed by the Company, the Customer shall be credited with the reasonable salvage which the Company shall receive on discontinuance of service. If within corporate limits, all construction rules and regulations shall apply.

21. PIPELINES OTHER THAN THE COMPANY'S.

All municipalities, corporations, companies, partnerships, individuals and others applying for service to be supplied through pipelines not owned by the Company will be required to construct or operate under the Company's established rules and regulations.

- a. The Company specifically reserves the right to reject any and all applications for service where same is to be supplied through pipelines not controlled by it.

22. ALTERATION OF RULES AND REGULATIONS.

No Agent or employee has the right to modify or alter the applications, rates, terms, conditions, rules or regulations or to make any promises or representations not contained herein, supplements thereto and revisions thereof.



SALES SERVICE RATE SCHEDULE - continued

23. TAX ADJUSTMENT.

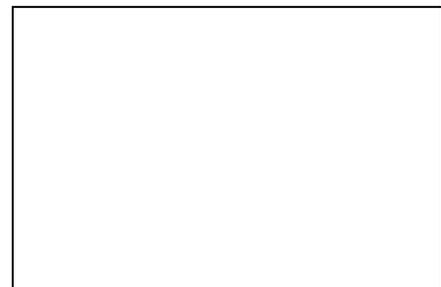
- a. When any city or other taxing subdivision imposes a franchise occupation, business sales, license, excise, privilege or similar tax of any kind on the Company, the amounts thereof, insofar as practical, shall be charged on a *pro rata* (defined as prorating the tax to bill the Customer for the correct number of days on the new tax rate and the old tax rate, if applicable), basis to all Customers receiving gas service from the Company within the boundaries of the city or taxing subdivision. This tax charge, in all cases, will be in addition to the regular charges for gas service.
- b. Where such tax is levied on a percentage of gross receipts, that percentage will be applied to each affected Customer's bill, and the amount computed will be added to the bill. Where such tax is levied on the quantity of gas delivered, the quantity of gas consumed, as shown on the Customer's bill, will be used to determine the tax amount added to the bill. Where the tax is levied other than on a percentage of gross receipts or quantity basis, an amount not to exceed \$1.00 per month per Customer shall be added to each affected Customer's bill until the Customer's *pro rata* share of the total tax is paid. The amount of the tax charged to each affected Customer in each billing period will be shown as a separate item on the Customer's bill.

24. GAS METER TESTING

Diaphragm-type gas service meters shall be tested and, if necessary, readjusted to be correct within one percent, at the times and in the manner specified by the meter test statistical sampling and testing program adopted by the Public Utilities Commission of the State of Colorado in its Decision No. C06-0875 on July 27, 2006. All other Company meters shall be tested and corrected within the time periods specified by the Rules Regulating Natural Gas Utilities and Pipeline Operators promulgated by the Public Utilities Commission.

25. EXCESS FLOW VALVES

- a. The Company shall provide written notification of the availability for installation of an excess flow valve meeting the performance standards prescribed by the United States Department of Transportation at 49 C.F.R. § 192.381 to any single-residence, residential service Customer where a new or replacement service line/service stub that operates continuously at a pressure of ten (10) pounds per square inch gauge or greater is to be installed. The written notification will provide, at a minimum, the information prescribed by said Department of Transportation at 49 C.F.R. § 192.383.



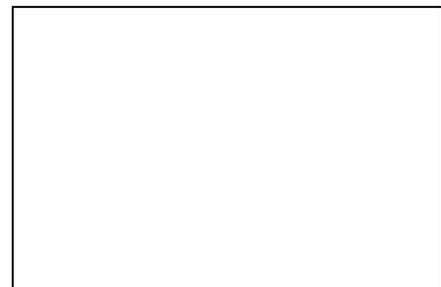
SALES SERVICE RATE SCHEDULE - continued

25. EXCESS FLOW VALVES – continued

- b. While the Company will install an excess flow valve at a service address at the Customer's request, the Customer is responsible for reimbursing the Company for the fully-allocated cost of the installation. The Company also shall be reimbursed for the fully-allocated cost of any post-installation activities, such as repairing, resetting, deactivating, removing or replacing an excess flow valve, by the then-current Customer at said service address at the time the activity is undertaken.
- c. The Company shall not be liable for any (1) injury to person, and/or (2) damage to or destruction of any property, resulting directly or indirectly from any failure of, or defect in, an excess flow valve installed by the Company, except where the failure of defect is caused directly by an error or omission by the Company in the installation of the excess flow valve.

26. GENERAL TERMS & CONDITIONS

The applicable General Terms & Conditions of this Tariff are hereby made a part of each of the Sales Service Rate Schedules. To the extent that the General Terms & Conditions are inconsistent with the provisions of any of these Sales Service Rate Schedules, the provisions of that Rate Schedule shall govern.



SALES SERVICE RATE SCHEDULE - continued

27. CONVERSION TO DISTRIBUTION TRANSPORTATION SERVICE

“Distribution Transportation Service” by Company consists of acceptance of gas tendered by Buyer to Company’s Distribution Transportation System at the Point(s) of Receipt, and direct delivery, displacement delivery or exchange delivery for Buyer’s account, including receipt at mainline measuring facilities. Distribution transportation service does not apply to wellhead, gathering, processing or storage facilities and services.

If a Customer receiving service under this Sales Service Rate Schedule elects to convert all, or a portion, of its service to Distribution Transportation Service, the Customer will be subject to meeting the terms and conditions of the Distribution Transportation Service Rate Schedule contained in this Tariff, wherein the Sales Service Customer will be re-designated as a Buyer of Distribution Transportation Service. The Customer must reapply for Sales Service in the future should the Customer choose to convert the Transportation portion of its service back to Sales Service. The Company may charge such Customer fees equivalent to those charged a new Sales Service Customer. Further, the Company shall not be required to refund any monies paid by the Customer to the Company for equipment or construction associated with the terminated Distribution Transportation Service or the conversion from Sales Service to Distribution Transportation Service or vice versa.



Distribution Transportation Service Schedule of Rates – GT-1
 (Arkansas Valley and Southwestern Divisions)

Monthly Service Charge \$151.29/Month

Specific Facility Charge When Applicable

Volume Charge

GS-1 Arkansas Valley Division	1.323/Mcf	
GS-3 Southwestern Division	1.179/Mcf	
LI-1 Arkansas Valley Division	.6600/Mcf	
LI-2 Southwestern Division	.7447/Mcf	
SI-1 Arkansas Valley Division*	.7449/Mcf	1 st 5,000, May 1 – Oct. 31
	.7087/Mcf	Next 45,000, May 1 – Oct. 31
	.6555/Mcf	All Over 50,000, May 1, Oct. 31
SC-1 Arkansas Valley Division	.6210/Mcf	

* SI-1 minimum, for six month season (May 1 – October 31, inclusive) is \$2,700.52

Authorized Overrun Charge

Arkansas Valley Division	\$3.84/Mcf
Southwestern Division	\$3.5585/Mcf

Unauthorized Overrun Charge

Arkansas Valley Division	\$23.420/Mcf
Southwestern Division	\$21.009/Mcf



Distribution Transportation Service Schedule of Rates
 (North Eastern Colorado)

Applicable to the Distribution Transportation Rate Schedules for the following territories:
 Parts of Yuma, Phillips, Sedgwick, Logan, Washington, Morgan, and Weld Counties, Colorado of the
 North Eastern Colorado Rate Area

Fuel Reimbursement Quantity	For distribution fuel and unaccounted for gas, the Company shall be entitled to retain a percentage of all Mcf's received for transportation. The percentage shall be:	
	Mainline customers service directly from pipeline suppliers	No Charge
	All other customers	2.9%
Monthly Administrative Fee	First meter at a customer location for Firm and Interruptible contracts with initial terms of twelve consecutive months or longer	\$200.00
	First meter at a customer location for Interruptible contracts with initial terms of less than twelve consecutive months	\$250.00
	Regardless of Firm or Interruptible contract term, subsequent meters at same customer location	\$ 75.00

Rate Schedule	Service Area	Type of Charge	Maximum Rate	Minimum Rate
Rates are stated in Mcf at a Pressure Base of 14.73 psia			\$	\$
GTS-1	All Locations	<u>Monthly Customer Charge</u> (Per meter per month)....	3.50	3.50
GTS-1		<u>Commodity Charge</u> (All use per month, Per Mcf).....	0.8859	0.2215
TRA	All Locations	<u>Transportation Rate Adjustment</u>	0.93016	0.0000
		<u>Total Commodity Charge</u> (All use per month, Per Mcf).....	1.81606	0.2215

Conversion Factor – Local to 14.73 psia Pressure Base

<u>Location</u>	<u>Absolute Pressure</u>	<u>Conversion Factor</u>
All Locations	13.25	0.899525
Unauthorized Overrun Charge		\$25.00/Mcf

Advice Letter No. 227

Bentley W. Breland
 Issuing Officer

Issue Date: February 20, 2008

Decision or
Authority No.

Sr. Vice President
 Title

Effective Date: February 29, 2008

Distribution Transportation Service Schedule of Rates
 (Western Slope and North Central Colorado)

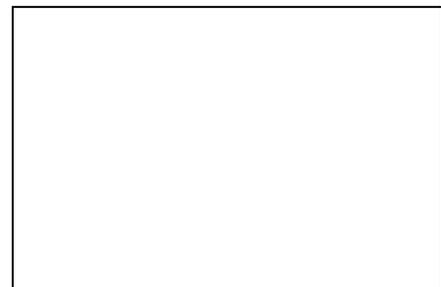
(Rate Title or Number)

Applicable to the Distribution Transportation Rate Schedule for the following territories:
 Parts of Pitkin, Eagle, Garfield, Delta, Mesa, Weld, Montrose, San Miguel, & Larimer Counties, CO of the
 Western Slope and North Central Colorado Rate Areas

Fuel Reimbursement Quantity	For the distribution fuel and unaccounted for gas, Company shall be entitled to retain a percentage of all Mcf's received for transportation. The percentage shall be:	
	Mainline customers service directly from pipeline suppliers	No Charge
	All other customers	2.47%
Monthly Administrative Fee	First meter at a customer location for Firm and Interruptible contracts with initial terms of twelve consecutive months or longer	\$200.00
	First meter at a customer location for Interruptible contracts with initial terms of less than twelve consecutive months	\$250.00
	Regardless of Firm or Interruptible contract term, subsequent meters at same customer location	\$ 75.00
Unauthorized Overrun Charge	\$ 25.00/Mcf

<u>Rate</u> <u>Schedule</u>	<u>Service Area</u>	<u>Type of Charge</u>	<u>Maximum</u> <u>Rate</u>	<u>Minimum</u> <u>Rate</u>
See Tariff Sheet Nos. 80 - 81			\$	\$

Rates are stated in Mcf at a Pressure Base of 14.73 psia



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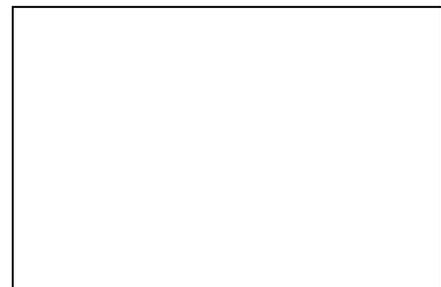
Sr. Vice President
 Title

Effective Date: February 29, 2008

Distribution Transportation Service Schedule of Rates
 (Western Slope and North Central Colorado)
 (Rate Title or Number)

<u>Rate Schedule</u>	<u>Service Area</u>	<u>Type of Charge</u>	<u>Maximum Rate</u> \$	<u>Minimum Rate</u> \$
Rates are Stated in Mcf at a Pressure Base of 14.73 psia				
GTS E-1	North Central	<u>Monthly Customer Charge</u> (Per meter per month)		
		Residential	5.00	5.00
		Commercial	10.00	10.00
		<u>Distribution Charge</u> (All use per month, per Mcf)		
		Residential	1.7603	1.1000
		Commercial	1.5065	0.1000
GTS E-2	Northern Central	<u>Monthly Customer Charge</u> (Per meter per month)	10.00	10.00
		<u>Distribution Charge</u> (All use per month, per Mcf)	1.0175	0.1000
GTS D-1R	Western Slope	<u>Monthly Customer Charge</u> (Per meter per month)	5.00	5.00
		<u>Distribution Charge</u> (All use per month, per Mcf)	1.9870 1/	0.1000
GTS D-1C	Western Slope	<u>Monthly Customer Charge</u> (Per meter per month)	10.00	10.00
		<u>Distribution Charge</u> (All use per month, per Mcf)	1.5408 1/	0.1000

1/ Includes Litigated Settlement Special Rate Surcharge Amount of \$0.2699 per Mcf delivered, pursuant to Sheet No. 39D of this Tariff.



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Distribution Transportation Service Schedule of Rates
 (Western Slope and North Central Colorado)

(Rate Title or Number)

<u>Rate Schedule</u>	<u>Service Area</u>	<u>Type of Charge</u>	<u>Maximum Rate</u> \$	<u>Minimum Rate</u> \$
Rates are Stated in Mcf at a Pressure Base of 14.73 psia				
GTS D-2	Western Slope	<u>Monthly Customer Charge</u> (Per meter per month)	10.00	10.00
		<u>Distribution Charge</u> (All use per month, per Mcf)	1.3673 1/	0.1000
GTS D-10	Western Slope	<u>Monthly Customer Charge</u> (Per meter per month)	10.00	10.00
		<u>Distribution Charge</u> (All use per month, per Mcf)	0.6449 1/	0.1000

Conversion Factor - Local to 14.73 psia Pressure Base

<u>Location</u>	<u>Absolute Pressure</u>	<u>Conversion Factor</u>
Aspen	11.22	0.761711
Basalt	11.22	0.761711
Carbondale	11.94	0.81059
Cedaredge	11.94	0.816701
Collbran	12.03	0.816701
Crawford	12.58	0.854039
Dacono	12.47	0.846572
Delta	12.58	0.854039
Eagle	11.77	0.799050
Edwards	11.77	0.799050
Evanston	12.50	0.848608
Firestone	12.52	0.849966
Frederick	12.50	0.848608
Glenwood Springs	12.15	0.824847
Gypsum	11.89	0.807196
Hotchkiss	12.03	0.816701
Montrose	12.12	0.822811
Naturita	12.33	0.837067
Norwood	11.66	0.791582
Nucla	12.12	0.822811
Olathe	12.31	0.835709
Orchard City	12.31	0.835709
Paonia	12.19	0.827563
Sawpit	11.25	0.763747
Snowmass	11.22	0.761711
Snowmass Village	11.22	0.761711
Telluride	10.94	0.742702
Wellington	12.39	0.841141

1/ Includes Litigated Settlement Special Rate Surcharge Amount of \$0.2699 per Mcf delivered, pursuant to Sheet No. 39D of this Tariff.

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Rules, Regulations or Extension Policy

TRANSPORTATION RATE ADJUSTMENT

(North Eastern Colorado)

1. APPLICABILITY

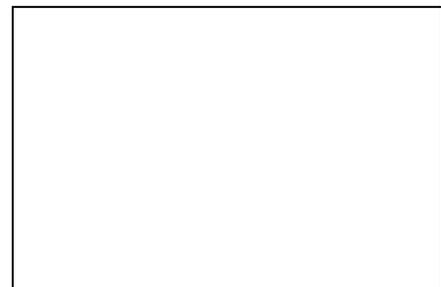
This Transportation Rate Adjustment (TRA) determined hereunder shall be applied to the commodity charge established from time to time for transportation service under the transportation rate schedule GTS-1, North Eastern Colorado, contained in the Company's tariff filed with the Colorado Public Utilities Commission.

2. COMPUTATION PERIOD AND FREQUENCY

Each year the Company shall make a filing with the Commission in which the Company will determine the Transportation Rate Adjustment (TRA) pursuant to paragraph 3 hereof to be effective during the twelve month period beginning on November 1 of that year. This adjustment will be included in the Company's annual GCA filing. If at any time during this twelve month period the Company experiences a change or changes in supplier rates, the cumulative effect of which is to produce an increase or decrease in total gas supply costs of at least one cent per thousand cubic feet, the Company may determine new TRA surcharge rates incorporating this impact to be effective for the remainder of the twelve month period.

3. DETERMINATION OF TRANSPORTATION RATE ADJUSTMENT

- a. The projected average above-market unit price of Contract P-0802 shall first be determined and be equal to the higher of zero or the difference between (1) the projected average unit cost of Contract P-0802 gas purchases and (2) the projected system-wide average unit cost of K N's other gas purchases, excluding Contract P-0802 gas purchases.
- b. The projected average above-market unit price of Contract P-0802 shall then be multiplied by the total projected annual regulated Contract P-0802 purchase volumes. The result is the total system-wide amount of above-market costs of Contract P-0802.
- c. The total system-wide amount of above-market costs of Contract P-0802 shall be divided by the projected annual system-wide throughput volumes. The result is the applicable system-wide TRA surcharge rate.
- d. The applicable system-wide TRA surcharge rate shall be multiplied by the projected total annual transportation volumes in North Eastern Colorado. This calculation determines the total projected Contract P-0802 cost obligation of North Eastern Colorado transportation customer classes. The result plus the actual balance of the TRA Deferred Account, as defined herein, will be used to calculate the applicable TRA surcharge rate.



Rules, Regulations or Extension Policy

TRANSPORTATION RATE ADJUSTMENT – continued

(North Eastern Colorado)

i. The TRA annual accumulation period shall be the twelve (12) months ended June 30. The TRA deferred account balance shall be determined by comparing the (1) the total actual Contract P-0802 cost obligation of North Eastern Colorado transportation customer classes, calculated using the same method as the projected cost obligation, above, to (2) the total actual costs collected under North Eastern Colorado Rate Schedule GTS-1. Such difference shall reflect over-or under- collections and shall be credited or debited to the TRA Deferred Account.

e The amount resulting from paragraph 3.d. above shall be divided by the projected transportation volumes for North Eastern Colorado Rate Schedule GTS-1 which will be billed the TRA Surcharge Rate. The resulting rate shall be the individual TRA Surcharge Rate stated under North Eastern Colorado Rate Schedule GTS-1.

f. The TRA Surcharge Rate, resulting from steps a through e above, shall be added to the base transportation rate for North Eastern Colorado Rate Schedule GTS-1. The total of the TRA surcharge rate plus the base transportation rate shall be stated on the currently effective Tariff Sheet No. 78, and shall be the total maximum transportation rate applicable to North Eastern Colorado Rate Schedule GTS-1.

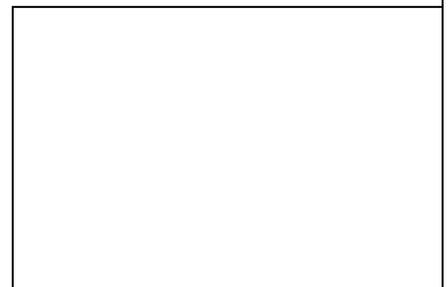
4. TRANSPORTATION RATE DISCOUNT ORDER

If and when the Company discounts the rates applicable to service rendered under the transportation rate schedule contained in the Company’s effective Tariff filed with the Commission, the TRA Surcharge Rate component shall be discounted prior to the discounting of any other component of the applicable maximum rate. The Company will maintain records sufficient to determine the amount of TRA surcharge collected from each transportation customer.

5. CREDITING OF REVENUES COLLECTED PURSUANT TO THE TRA

All revenues actually collected as a result of the application of the TRA Surcharge Rate to North Eastern Colorado transportation volumes shall be credited pursuant to the provisions of the Gas Cost Adjustment, Tariff Sheets No. 37, 38, and 39 of SourceGas’ effective Colorado Gas Tariff.

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This Sheet is Reserved for Future Use.

Advice Letter No. 227

Bentley W. Breland
Issuing Officer

Issue Date: February 20, 2008

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Sr. Vice President
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Effective Date: February 29, 2008

DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE

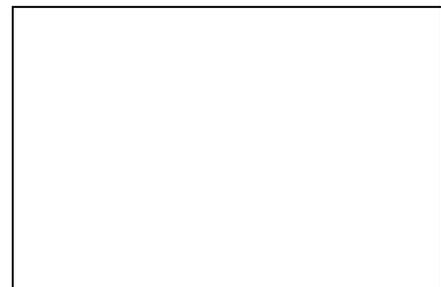
1. AVAILABILITY

This Rate Schedule is available for distribution transportation service of natural gas by the Company's for any party ("Buyer"), when:

- a. Buyer has elected to be served under this Distribution Transportation Service Rate Schedule and has submitted a standard form of Distribution Transportation Service Request as contained in this Tariff;
- b. Company has determined, based upon the character and permanency of the load, that it has sufficient, uncommitted peak day capacity available to provide the service requested without any construction of facilities or other necessary investment by Company unless Company has waived in a nondiscriminatory manner this requirement in writing;
- c. Buyer has executed a Distribution Transportation Service Agreement in the form contained in this Gas Tariff of which this Rate Schedule is a part;
- d. The distribution transportation service is to be implemented in accordance with the Colorado Public Utilities Commission's Gas Transportation Rules.
- e. Company shall receive and deliver gas to Buyer at points located on its distribution system as shown on the executed Distribution Transportation Service Agreement.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Distribution transportation service is the movement of gas through Company's distribution facilities. The distribution transportation service will be subject to the General Terms and Conditions attached.
- 2.2 Such distribution transportation service shall be provided to the extent capacity is available.



DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE - continued

2.3 Company shall receive from Buyer, or for the account of Buyer, at the "Receipt Point(s)" as specified in an executed Distribution Transportation Service Agreement daily quantities of gas tendered for transportation up to Buyer's Maximum Daily Service Quantity (MDSQ). Upon receipt of natural gas for Buyer's account, Company shall, after a reduction of the applicable Fuel Reimbursement Quantity (loss and unaccounted for and company use), transport and deliver for the account of Buyer the thermal equivalent of such gas at the "Delivery Point(s)" as specified in the Distribution Transportation Service Agreement. Company shall not be obligated to, but may at its option, on any day deliver a quantity of gas in excess of the applicable Maximum Daily Delivery Quantity (MDDQ).

2.4 Provided Company's prior consent is obtained, Buyer may tender quantities of gas in excess of the MDSQ on any given day if in Company's reasonable judgment such tender and delivery of such gas can be accomplished by Company without detriment to any other Buyer under any of Company's rate schedules, and if such service is compatible with Company's system operation requirements.

2.5 ADDITIONAL FACILITIES

- a. Company shall not be obligated to add any facilities or expand the capacity of Company's distribution transportation system in any manner in order to provide distribution service to Buyer pursuant to this Rate Schedule; however, Company is willing to add facilities whenever such is deemed, in Company's reasonable judgment, to be economically, operationally, and technically feasible, subject to the following conditions:
 - (1) Company has received an executed revised service agreement from existing or prospective Buyer requesting additional facilities;
 - (2) Company and Buyer enter into a facilities agreement which is subject to the provisions of this Tariff;



DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE – continued

- (3) The nature, extent and timing of facilities required shall be at the reasonable discretion of Company;
 - (4) Company receives acceptable assurances of financial reliability from any Buyer requesting additional capacity.
- b. When Company, in its reasonable discretion, agrees with Buyer to construct or acquire new facilities, in order to provide service to Buyer, Company shall require Buyer:
- (1) To make a facilities reimbursement payment, including a gross-up for applicable state and federal income tax expense associated with such facilities;
 - (2) To pay for the additional facilities in one lump sum payment or by installment payments to be completed by the end of the contract terms, as negotiated by the parties.
 - (3) To agree to a reimbursement schedule setting the terms, the rate, and the conditions for reimbursement of the additional facility charge, including an obligation to reimburse Company, upon demand, for any unamortized capital charges, under an agreed upon amortization schedule, which may remain if service by Company to Buyer under this rate schedule is terminated prior to the end of said amortization period.
- c. If Company, in its reasonable discretion, agrees in writing that Buyer can satisfactorily install, operate and maintain any measuring equipment which Buyer desires to install, maintain, or operate pursuant to the specifications set forth in the General Terms and Conditions of Company’s Tariff, Company shall not be obligated to install such measuring equipment and Buyer shall be relieved of any obligation to reimburse Company for the costs related thereto. If Buyer measures the gas, Buyer shall send to Company in writing the readings and dates from such measuring equipment by the 5th day of the next succeeding month.



DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE – continued

- 2.6 To the extent service under this Rate Schedule is interrupted, such affected service under this Rate Schedule shall be reduced in accordance with Company's General Terms and Conditions.
- 2.7 Firm Distribution Transportation Service agreements must be for a period of one year or more.
- 2.8 A Customer under this Distribution Transportation Service Rate Schedule is solely responsible for its own gas procurement. The Company shall have no sales service obligation to such Customer.
- 2.9 Standby supply service may be available to Buyers under Company's applicable sales tariffs on file and in effect with the Commission after service to all firm and interruptible sale customers.

3. REQUIREMENTS FOR DISTRIBUTION TRANSPORTATION SERVICE AGREEMENT

- 3.1 REQUEST. All Buyers requesting distribution service must provide the information required by this section and by Company's Distribution Transportation Service Request Form included in this Tariff, in order to qualify for distribution service under this Rate Schedule. No request for distribution service will be entered on the Company's log until all such information and a completed Distribution Service Request Form has been provided to Company.

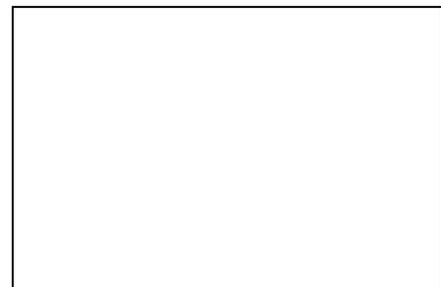
All completed Distribution Transportation Service Request Forms are to be sent to:

SourceGas Distribution LLC
370 Van Gordon Street, Suite 4000
Lakewood, Colorado 80228
Attn: Business Development Department

DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE - continued

Any request shall include the following:

- a. COMPLETE LEGAL NAME OF BUYER. If person requesting service is acting as agent for Buyer, all information as set forth in a. through c. must be provided with respect to Buyer.
- b. INFORMATION REGARDING COMMUNICATION. Name, address and telephone number to whom correspondence, billings, or other communications should be directed. State name, address and phone number of twenty-four (24) hour contact person for purposes of exchanging scheduling and volume information.
- c. TYPE OF COMPANY. State type of legal entity and state of incorporation, if applicable. Specify whether a producer, end-user, marketer, broker or other. If other, describe in detail.
- d. AGENCY INFORMATION. If requestor is an agent for Buyer, provide proof of authority, legal name of principal, and type of company.
- e. GAS QUANTITIES. The desired total Maximum Daily Service Quantity (MDSQ).
- f. TERM. The proposed commencement and termination dates of service; provided, however, the proposed commencement date shall not be more than ninety (90) days from the date of the request for distribution service hereunder unless further time is necessitated by Company's construction of facilities, or waived by Company in its reasonable discretion.
- g. FACILITIES. Whether any additional or new facilities are required to receive or deliver gas for the distribution service requested herein.
- h. RECEIPT POINTS. The designated Receipt Point(s) for the requested distribution service with the names of any pipelines transporting the gas immediately upstream of Company's facilities. The Receipt Point(s) requested by Buyer must be acceptable to Company with regard to adequacy of the physical facilities to receive and distribute the quantity requested.



DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE – continued

- i. DELIVERY POINTS. The designated Delivery Point(s) for the requested distribution service. The Delivery Point(s) requested by Buyer must be acceptable to Company from the viewpoint of adequacy of Company’s existing facilities to distribute and deliver Buyer’s gas.
- j. AFFILIATE INFORMATION. The extent of Buyer’s, end user’s, or supplier’s affiliation with Company.
- k. CUSTOMER DEPOSITS. Customer deposits will be required as provided in the Colorado PUC’s Rules Regulating Gas Utilities and Pipeline Operators. However, depending on creditworthiness of Buyer, as determined pursuant to Section 3.a.iv of the Sales Service Rate Schedule of this Tariff, and in a non-discriminatory manner, Company may require Buyer to provide a deposit in an amount of up to an estimated six (6) months bill of Buyer. If the deposit is not paid within fifteen (15) days of written notification, service will not begin, or, if service has begun, it will be terminated.

3.2 EXECUTION. A Distribution Transportation Service Agreement shall be executed by Buyer within thirty (30) days of being tendered by Company, following Company’s acceptance of Buyer’s request for service.

3.3 FILING FEES. Any and all filings and approval fees required in connection with Buyer’s Service Agreement that Company is obligated to pay or any governmental authority having jurisdiction shall be billed to Company. Any fees recovered hereunder will not be included in Company’s cost of service.

3.4 REIMBURSEMENT. Any reimbursement due Company by Buyer pursuant to this section shall be due and payable to Company within ten (10) days of the date of Company’s invoice(s) for same.

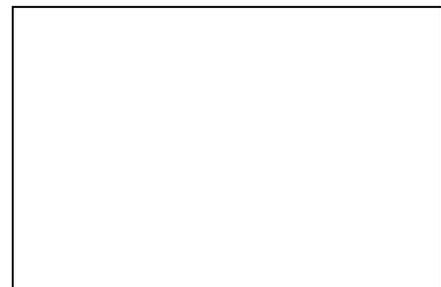


DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE - continued

3.5 ELECTRONIC FLOW MEASUREMENT

Electronic flow measurement (EFM) is required at all transportation service delivery points. If EFM does not exist at any transportation delivery point requested by Buyer, the Company shall have no obligation to provide transportation service to that point unless and until Buyer agrees to the Company's installation of EFM at such delivery point and to Buyer's reimbursement of all costs related to the installation and operation of EFM at such point. The Company shall install its standard EFM at a location determined by the Company, and Buyer shall allow the Company to install, maintain and operate the EFM on Buyer's property. Buyer shall reimburse the Company for all costs of material and labor related to installation of the EFM. Buyer shall also reimburse the Company for all initial installation costs (material and labor) and shall be responsible for all ongoing costs of an electrical supply and dedicated, data quality phone line necessary for the operation of the EFM equipment in the location determined by the Company. Should Buyer fail to agree to the installation or reimbursement of EFM at any requested delivery point, the Company shall have the right to refuse or terminate transportation service to Buyer at that point. The Buyer will maintain the communication line and cause any interruption in service over the communication line to be repaired as soon as possible. If interruption of service occurs on the communication line, and if the communication line is not repaired within three (3) business days, the Company may no longer accept transportation nominations from the Buyer. In any event, the Company shall obtain the metered data and Buyer shall be responsible for all applicable charges. The Company shall record EFM data on a daily basis during the term of Buyer's transportation service agreement and the daily flow and imbalance information will be made available to the Buyer and/or its designated Agent through the Company's electronic bulletin board.

- a. The Buyer will reimburse the Company for all reimbursable costs in a lump sum payment when service is initiated. If Buyer fails to make in a timely manner any payments to reimburse the Company for any reimbursable costs related to EFM installed at a delivery point under any distribution transportation service agreement with Buyer, the Company may, upon 30 days notice, terminate service to Buyer under such agreement, in addition to, and without limitation upon, any other legal or equitable remedies the Company may have.
- b. If Buyer's Distribution Transportation Service Agreement terminates, the Company shall not be obligated to make reimbursement for EFM installation(s) and the Company may elect to relocate the EFM equipment to another point on the Company's system at its discretion.



DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE – continued

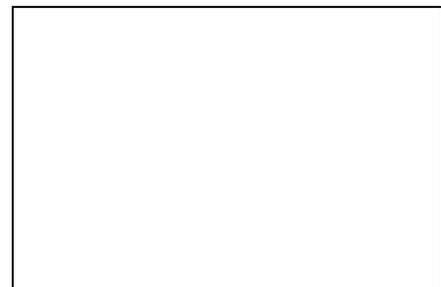
4. RATES

4.1 MAXIMUM AND MINIMUM RATES.

- a. The applicable maximum and minimum unit rates for distribution transportation service are set forth in the currently effective Distribution Transportation Service Rate Schedule. The applicable unit rate under this Rate Schedule shall be a rate not in excess of the maximum unit rate, nor less than the minimum unit rate. If Company elects to discount, Company shall discount these rates on a nondiscriminatory basis within this range. Company will charge the maximum rate unless otherwise agreed to in writing with Buyer.
- b. RATES NEGOTIATIONS. Rates other than published tariff rates may be requested in writing.

4.2 MONTHLY BILL. Commencing for the month in which the Distribution Transportation Service Agreement is effective and each month thereafter, Company shall charge and Buyer shall pay Company the following amounts:

- A. For Northeastern, Western Slope and North Central divisions:
 - i. CUSTOMER CHARGE. The applicable rate set forth in the currently effective Rate Schedule multiplied by the number of delivery meters covered by the Agreement.
 - ii. DISTRIBUTION CHARGE. The applicable unit distribution rate set forth in the currently effective Transportation Rate Schedule multiplied by the volume in Mcf of gas delivered by Company in the month at the Delivery Point(s).
 - iii. MONTHLY ADMINISTRATIVE FEE. There will be an administrative fee charged as set forth on the applicable rate sheet of this Tariff.



DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE – continued

4.2 MONTHLY BILL (continued).

B. For Arkansas Valley and Southwestern divisions:

- i. Monthly Service Charge – that monthly cost for servicing transportation accounts per meter. Except as otherwise expressly provided herein, such charge shall apply whether or not any gas is transported.
- ii. Volume Charge – shall be equal to the applicable sales margin derived by End User tariff class for each delivered unit measured at sales pressure base. The applicable Volume Charge is stated on the applicable rate sheet of this Tariff.
- iii. Authorized Overrun Charge - Such charge shall be incurred when the Company permits Buyer to take daily volumes in excess of its MDSQ. The applicable Authorized Overrun Charge is set forth on the applicable rate sheet of this Tariff.
- iv. Unauthorized Overrun Charge - Such charge shall be incurred when Buyer takes daily volumes in excess of its MDSQ which were not nominated and confirmed or when Buyer takes daily volumes in excess of Authorized Overruns for the Day.

DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE – continued

4.3 DISCONTINUANCE OF SERVICE

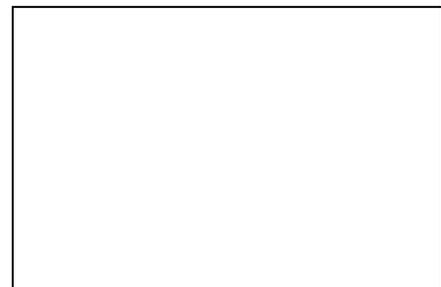
Discontinuance of service shall be as provided in accordance with the Colorado PUC's Rules Regulating Natural Gas Utilities and Pipeline Operators.

5. BALANCING

5.1 BUYER'S RESPONSIBILITY. Balancing of distribution transportation receipts and deliveries behind a Mainline Border Station, single Town Border Station, or an equivalent thereof is Buyer's responsibility. Imbalances are to be minimized and are subject to the terms and conditions of this Tariff.

- a. If the Company receives gas from the Buyer at a Point of Receipt through which both Distribution Transportation Rate Schedule and Sales Rate Schedule quantities are being received, the allocation of gas volumes through the meter will be the allocation supplied by the interconnecting pipeline. If the Company is able to control Point of Receipt allocations, the Company may minimize or eliminate monthly imbalances by allocating receipts. The Company is not responsible for eliminating any imbalances between end-use Buyer and an Agent.
- b. The Company will post notification of the Buyer's invoice and imbalance on the Company's interactive website. In instances in which there is a balance due on an under-receipt imbalance, the interactive website will provide information on the imbalance MMBtu and cashout balance due to the Company. In instances in which there is an over-receipt imbalance cashout credit, the Company's interactive web site will provide information on the imbalance MMBtu and the cashout credit due to the Buyer.
- c. In addition to the provisions of this Section regarding monthly balancing behind a MBS, single TBS or equivalent thereof, the Company may require daily balancing of distribution receipts and deliveries consistent with the provisions of this Tariff. The Company has the right to reduce receipts and/or deliveries hereunder in excess of the MDSQ at any time the Company may deem, in its reasonable discretion, that it is necessary to do so in order to protect the integrity of its system, including the maintenance of service to other customers.

5.2 OVERRECEIPTS. An over-receipt occurs when the MMBtu received into the Company's system (net of Fuel Reimbursement Quantity) on behalf of a Buyer is in excess of the Buyer's MMBtu of deliveries at designated location(s). Imbalances will be determined at the end of each month by subtracting deliveries from receipts (net of Fuel Reimbursement Quantity). The imbalance percentage will then be determined by dividing the imbalance by the monthly deliveries.



DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE – continued

5.3 CASHOUT OF OVER-RECEIPT IMBALANCES.

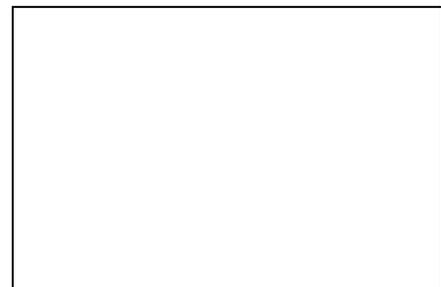
A Buyer’s over-receipt imbalance less than or equal to five percent (5.0%) of the Buyer’s monthly deliveries will be credited on the Buyer’s invoice in the amount of those imbalance MMBtu multiplied by the Tier 1 Cashout Credit Rate. For any additional over-receipt imbalances greater than five percent (5.0%) of the Buyer’s monthly deliveries, the Buyer’s invoice also will be credited the amount of the imbalance MMBtu greater than five percent (5.0%) multiplied by the Tier 2 Cashout Credit Rate.

<u>Tier</u>	<u>Positive Imbalance as a Percentage of Deliveries</u>	<u>Over-Receipt Cashout Credit Rate Percentage of Index or WACOG*</u>
1	0% to 5.0%	100%
2	Greater than 5.0%	75%

*The lesser of either: (1) Index, which is the lowest of the mean of the “Spot Market Prices” for “CIG”, “Northwest S. of Green River” or “Questar” under the “avg.” column for each week applicable to the Rocky Mountain region as published in *Natural Gas Intelligence Weekly Gas Price Index* (or a superseding index if the publication is revised) for the month which most closely corresponds to the month in which the imbalance occurred; or (2) the Company’s weighted average cost of gas (“WACOG”) for the month and for the jurisdiction in which the imbalance occurred.

WACOG shall be determined each month using the sum of the following factors, if applicable, divided by the volumes during that month: (1) purchased gas cost; (2) cost of volumes transported by upstream pipelines; (3) cost of storage volumes injected or withdrawn; and (4) cost of hedged volumes.

5.4 UNDER-RECEIPTS. An under-receipt imbalance occurs when the Dth received into the Company’s system (net of Fuel Reimbursement) on behalf of the Buyer is less than the Buyer’s Dth of deliveries at designated location(s). Imbalances will be determined at the end of each month by subtracting deliveries from receipts (net of Fuel Reimbursement). The imbalance percentage will then be determined by dividing the absolute value of the imbalance by the monthly deliveries.



DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE – continued

5.5 CASHOUT OF UNDER-RECEIPT IMBALANCES. A Buyer’s under-receipt imbalance less than or equal to five percent (5.0%) of the Buyer’s monthly deliveries will be charged on the Buyer’s invoice in the amount of those imbalance MMBtu multiplied by the Tier 1 Cashout Charge Rate. For any additional under-receipt imbalances greater than five percent (5.0%) of the Buyer’s monthly deliveries, the Buyer’s invoice will be charged the amount of the imbalance MMBtu greater than five percent (5.0%) multiplied by the Tier 2 Cashout Charge Rate.

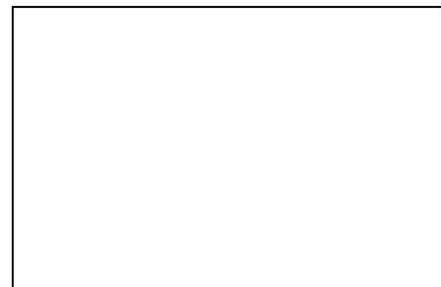
<u>Tier</u>	<u>Imbalance as a Percentage of Deliveries</u>	<u>Under-Receipt Cashout Charge Rate Percentage of Index or WACOG*</u>
1	0% to 5.0%	100%
2	Greater than 5.0%	125%

* The greater of either: (1) Index, which is the highest of the means of the “Spot Market Prices” for “CIG”, “Northwest S. of Green River” or “Questar” under the “avg.” column for each week applicable to the Rocky Mountain region as published in *Natural Gas Intelligence Weekly Gas Price Index* (or a superseding index if the publication is revised) for the month which most closely corresponds to the month in which the imbalance occurred, plus the maximum rate for interruptible transportation service, including associated surcharges, under the applicable upstream pipeline serving the Buyer (Rate Schedule TI-1 of Colorado Interstate Gas Company’s FERC Gas Tariff, Rate Schedule TI of Public Service Company of Colorado’s (Excel) Colorado PUC Tariff, Rate Schedule IT of Kinder Morgan Interstate Gas Transmission’s FERC Gas Tariff or Rate Schedule ITS-1 of Rocky Mountain Natural Gas Company’s Colorado PUC Tariff); or (2) the Company’s weighted average cost of gas (“WACOG”) for the month and for the jurisdiction in which the imbalance occurred.

WACOG shall be determined each month using the sum of the following factors, if applicable, divided by the volumes during that month: (1) purchased gas cost, (2) cost of volumes transported by upstream pipelines; (3) cost of storage volumes injected or withdrawn; and (4) cost of hedged volumes.

5.6 TERMINATION. Any imbalance remaining at the termination of a Distribution Transportation Service Agreement shall be credited or charged in the invoice for the month in which the imbalance occurred.

5.7 FORCE MAJEURE OCCURRENCE. In the event of a force majeure occurrence as defined in the General Terms and Conditions of Company’s Tariff, Buyer shall not be relieved from its obligation to make payment of amounts then due or which become due hereunder.



DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE – continued

6. SCHEDULING OF RECEIPTS AND DELIVERIES.

6.1 NOMINATIONS. If Buyer desires distribution service for gas on any day under this Rate Schedule, Buyer shall:

- a. Notify Company’s Transportation Administration Section at least twenty-two (22) hours before the beginning of the first gas day (8:00 a.m. to 8:00 p.m. MT) on which Buyer desires distribution transportation service. Company shall have no obligation to provide service for Buyer under this Rate Schedule if Buyer’s notice (nomination) hereunder is not timely.
- b. Include in the nomination the quantity of gas to be received by Company (including Buyer’s volumes for which distribution service is desired and Btu levels, overrun volumes, any volumes to satisfy past imbalances, and Fuel Reimbursement Quantities for volumes at each specified Receipt Point) and the quantity to be delivered by Company at each specified delivery point for the gas day to commence at 8:00 a.m. (MT) of the desired day, but no sooner than the following day. The total receipt nominations less the Fuel Reimbursement Quantity must equal the equivalent thermal quantity of delivery nominations. Transactions to which different rates apply shall be nominated separately.
- c. Receive a response from Company by 5:00 p.m. (MT) if Company does not have the capacity to accept and/or deliver the requested quantities the following day.
- d. For service to begin on the first day of the month, submit nominations to Company by 10:00 a.m. (MT) five work days prior to the first day of the month.
- e. Subject to Company’s General Terms and Conditions, Company shall receive from, provide distribution transportation service for, and deliver to, or for the account of, Buyer the equivalent thermal quantity of gas nominated, less the Fuel Reimbursement Quantity.
- f. Provide contract numbers for both upstream and downstream parties, if known.



DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE – continued

- g. Nominate to no more than one (1) delivery point per transportation nomination.

6.2 SCHEDULING OF RECEIPTS AND DELIVERIES

The Company will administer the scheduling and nomination process necessary to transport gas on its own distribution facilities. The Company may require nominations of the daily volumes to be transported across its distribution system under circumstances necessary to preserve the operational integrity of its distribution system. If nominations are required, the Company will notify Buyers as soon as practical via the Company's interactive website, if available, otherwise by phone. Buyers will be responsible for all nominations on upstream pipelines to ensure that the Buyers' aggregate daily estimates of usage are delivered. The Company's Fuel Reimbursement Quantity will be provided by the qualified Buyers.

- 6.3 DELIVERY OF GAS. It is the intention of Company to make daily delivery of Buyer's thermally equivalent volume received, less the Fuel Reimbursement Quantity and adjustments, if any, for prior imbalances. Due to variations in operating conditions, daily and monthly deliveries hereunder by Company may be greater or less than the corresponding receipts of gas hereunder less the applicable Fuel Reimbursement Quantity, and deliveries shall be adjusted under this Rate Schedule. Notwithstanding the foregoing, Company shall have the right, but not the obligation, upon reasonable notice to Buyer to curtail receipts and/or deliveries via changes to confirmed nominations in order to correct any imbalances to the extent of Buyer's accrued imbalance during the most recent 30-day period if greater than ten percent (10%) of Buyer's nominations during the most recent thirty (30) day period.

6.4 NOMINATIONS.

1. Timing of Nominations

- a. Buyer must submit nominations to Company by 10:30 a.m. (MT) via Company's interactive website or such other electronic means as are mutually agreed upon by Company and Buyer, as directed by Company, one (1) Business day prior to the day of flow. Company shall have no obligation to provide service for Buyer under this Rate Schedule if Buyer's nomination hereunder is not timely.
- b. Company shall not be required to accept any gas tendered by Buyer's upstream pipeline transporter that: (a) does not conform to Buyer's currently effective nominations or (b) is not delivered to a mutually agreeable city gate. Buyer is required to notify Company and, where possible, to provide copies of its daily and monthly nominations to its upstream pipeline transporter and the confirmed nomination received from the upstream pipeline transporter, within 24 hours of the delivery or receipt of such nominations. Company shall not be obligated to provided transportation service during an hourly, daily or monthly period in excess of the levels specified in the Service Agreement.
- c. Company shall provide notice to Buyer by 5:00 p.m. (MT) if Company does not have the capacity to accept and/or deliver the requested quantities nominated for the next gas day.

DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE – continued

- 2. Content of Nominations. Buyer shall include in any nomination: 1) the daily quantity of Gas to be received by Company (including Buyer’s transportation volumes); 2) daily overrun volumes, which may be nominated as separate transactions; 3) any daily volumes to satisfy past Imbalances; 4) the Fuel Reimbursement Quantity for volumes at each specified Receipt Point; 5) Receipt Points (primary and/or secondary); 6) the daily quantity to be delivered by Company at each specified Delivery Point (primary and/or secondary) on the desired Day; 7) Buyer-defined beginning and ending dates; and 8) upstream or downstream pipeline contract numbers if applicable. The total receipt nominations less the Fuel Reimbursement Quantity and other deductions must equal the equivalent thermal quantity of delivery nominations.

- 3. Inaccurate Nominations. Based upon the information that Company has available concerning the quantity of Gas actually received from and delivered to Buyer, or for Buyer’s account, if actual receipts or deliveries on any Day are more than five percent (5%) over or under nominations, or if actual receipts differ from actual deliveries on any Day by more than five percent (5%), Company will, by means of the telephone, electronic mail message or by notice on the informational postings portion of Company’s interactive web site, notify Buyer that it has twelve (12) hours in which to bring actual receipts or deliveries and nominations more closely into agreement; provided that the Company shall issue said notice within a reasonable period after the inaccurate nomination condition becomes evident to the Company, but no later than two (2) hours before the last intra -day nomination deadline established in the tariff(s) of transporting pipeline(s). In said notice, the Company shall inform the Buyer whether actual net receipts need to be equal to or greater than actual deliveries, or actual deliveries need to be equal to or greater than actual net receipts. Notwithstanding any provision of this Rate Schedule, a Buyer receiving notice under this paragraph will be permitted to submit an intra-day nomination to the Company on or before the deadline for the last intra-day nomination permitted in the tariff(s) of transporting pipeline(s) and the Company shall process and schedule said nomination; provided that the nomination is submitted for the purpose of complying with the directive contained within the notice provided to said Buyer. If the discrepancy is not brought within the five percent (5%) tolerance within twelve (12) hours, Company may adjust deliveries to compensate for the inaccurate nominations. The action allowed by this paragraph is in addition to Company’s right to assess authorized overrun charges or unauthorized overrun charges or daily balancing fees, pursuant to the terms of this Rate Schedule.



DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE - continued

- 4. Daily Balancing Fee. Upon prior notice to a Buyer consistent with Section 6.4.3, above, to adjust inaccurate nominations, a daily balancing fee may be assessed during Daily Balancing Periods when it is determined that the variance between Buyer's actual net receipts and deliveries, as of the end of the applicable Day of the Daily Balancing Period, is in excess of five percent (5%). If said notice is issued by the Company no later than the latest time for issuing notice set forth in 6.4.3, the first Day of the Daily Balancing Period for which a daily balancing fee can be assessed is the Day on which the notice is issued; however, if the notice is issued by the Company later than the latest time for issuing notice set forth in Section 6.4.3, the first Day of the Daily Balancing Period for which a daily balancing fee can be assessed is the Day following the Day on which the notice is issued. The imbalance is determined by subtracting deliveries from net receipts. The daily balancing fee shall be calculated by multiplying the imbalance volume (in excess of the volume above the tolerance level) by \$6.00 per Mcf, plus the highest spot gas price listed in Gas Daily's Daily Price Survey relative to Colorado Interstate Gas Company, Northwest Pipeline Corporation and Questar Pipeline Company, applicable to the "Rockies" (Rocky Mountain) region, for the applicable Day of the Daily Balancing Period. The Company shall not assess a daily balancing fee on a Buyer with respect to any Day of the Daily Balancing Period on which the Buyer complied with the Company's directive to said Buyer, as disclosed in the notification provided under Section 6.4.3, either to provide actual net receipts equal to or greater than actual deliveries, or to take actual deliveries equal to or greater than actual net receipts.



DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE – continued

- 6.5 DELEGATION. A Buyer may delegate to any third party responsibility for submitting and receiving notices or nominations or performing other administrative duties under any Agreement, subject to the following conditions:
- a. Any designation of such a representative, and any change in such designation, must be in writing and must be submitted at least two (2) business days prior to the requested effective date as reflected on the Company's Form of Agency Agreement as contained in this Tariff.
 - b. The written designation shall specify any limits on the authority of the representative, including any time limit on the designation; provided, however, that Company may reject any such limited designation if the limitations specified in the designation would result in an undue administrative burden.
 - c. The Company may rely on communication from Buyer's designated representative for all purposes except to the extent the designation is explicitly limited as specified in the preceding Section 6.5b. Communications by the Company to such designated representative shall be deemed notice to Buyer except to the extent the representative's authority is explicitly limited with respect the receipt of notice under the procedure set out in said Section 6.5b.
 - d. Any third party may administer multiple agreements as the designated representative for one or more Buyers. However, such representative shall separately administer and account for each such agreement.

7. POSSESSION, TITLE AND WARRANTY OF GAS.

- 7.1 Company shall be deemed to be in possession of the gas delivered by Buyer only from the time it is received by Company for distribution at the Point(s) of Receipt until it is delivered to Buyer at the Point(s) of Delivery as provided herein. Buyer shall be deemed to be in possession of such gas prior to such receipt and after such delivery. Company shall have no responsibility hereunder with respect to such gas before receipt by it or after delivery to Buyer. Buyer shall have no responsibility to such gas while it is deemed hereunder to be in Company's possession.
- 7.2 It is expressly understood that title, or right to acquire title, to all gas delivered by Buyer to Company for distribution hereunder shall be held by Buyer. In no event shall Company take title to gas distributed pursuant to this agreement except as provided for in the General Terms and Conditions.



DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE - continued

7.3 Buyer hereby warrants that gas delivered to Company hereunder is free and clear of all liens, encumbrances, and claims whatsoever. Buyer agrees to indemnify and holds harmless Company against any loss or cost incurred by Company on account of such liens, encumbrances and claims whatsoever. Company warrants that at the time of delivery to Buyer at the Point(s) of Delivery the gas so delivered hereunder shall be free and clear of all liens, encumbrances and claims whatsoever resulting from Company's possession or distribution transportation of gas pursuant to this Rate Schedule. Company agrees to indemnify and hold harmless Buyer against any loss or cost incurred by Buyer on account of liens, encumbrances or claims resulting from any possession or distribution by Company.

8. GOVERNMENTAL AUTHORITIES

8.1 Distribution transportation service under executed Distribution Transportation Service Agreements shall be implemented pursuant to Colorado Public Utilities Commission Gas Transportation Rules. The Service Agreement shall contain such additional language as specifically required by the PUC's application regulations.

8.2 This rate schedule, and all its rates, terms and conditions, shall at all times be subject to modification by order of the PUC upon notice and hearing and a finding of good cause therefore. In the event that any party to this agreement requests the PUC to take any action which could cause a modification in the conditions of this agreement, that party shall provide written notice to the other parties at the time of filing the request with the PUC.

9. CONVERSION TO SALES SERVICE

If a Buyer receiving service under this Distribution Transportation Rate Schedule elects to convert all, or a portion, of its service to Sales Service, the Buyer will be subject to meeting the terms and conditions of the Sales Service Rate Schedule contained in this Tariff, wherein the Distribution Transportation Buyer will be re-designated as a Customer of Sales Service. The Buyer must reapply for Distribution Transportation Service in the future should the Buyer choose to convert the Sales Service portion of its service back to Distribution Transportation Service. The Company may charge such Buyer fees equivalent to those charged a new Distribution Transportation Buyer. Further, the Company shall not be required to refund any monies paid by the Customer/Buyer to the Company for equipment or construction associated with the terminated Sales Service or the conversion from Distribution Transportation Service to Sales Service or vice versa.

10. GENERAL TERMS AND CONDITIONS

The applicable General Terms and Conditions of this Tariff are hereby made a part of each of the Distribution Transportation Service Rate Schedules. To the extent that the General Terms and Conditions are inconsistent with the provisions of any of these Distribution Transportation Sales Rate Schedules, the provisions of that Rate Schedule shall govern.



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FORM OF DISTRIBUTION TRANSPORTATION SERVICE AGREEMENT
(APPLICABLE TO DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE)

This Distribution Transportation Service Agreement ("Agreement"), is made and entered into between SourceGas Distribution LLC ("Company") and the party identified as Buyer in this Agreement.

In consideration of the premises and of the mutual covenants herein contained, the parties do covenant and agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Company's Distribution Transportation Service Rate Schedule and Company's General Terms and Conditions, Company agrees to receive, distribute and deliver thermally equivalent volumes of gas, adjusted for the Fuel Reimbursement Quantity, up to the Maximum Daily Service Quantity (MDSQ).

ARTICLE II - TERM OF AGREEMENT

This Agreement shall become effective and continue in effect as set forth herein. If renewable, following the primary term, this Agreement may be terminated by either party upon written notice.

ARTICLE III - RATE SCHEDULE

Buyer shall pay Company for all services rendered hereunder at rates filed under Company's Distribution Transportation Service Rate Schedule and as the same may be revised or changed. The rates to be charged Buyer for services under this Agreement shall be the maximum rate filed for that service unless Buyer and Company have otherwise agreed in writing. The rates charged Buyer for transportation hereunder shall not be more than the maximum rate applicable to such service, nor less than the minimum rate for such service.

This Agreement and all its rates, terms and conditions as set out in this agreement and as set out in the tariff provisions which are incorporated into this agreement by reference, shall at all times be subject to modification by order of the Commission upon notice and hearing and a finding of good cause therefore. In the event that any party to this agreement requests the Commission to take any action which could cause a modification in the conditions of this agreement, the party shall provide written notice to the other parties at the time of filing the request with the Commission.

If the end-use Customer uses a marketing broker for nomination, gas purchases and balancing, the end-use Customer shall provide the Company with an agency agreement.



ARTICLE IV - RECEIPT POINT(S) AND DELIVERY POINT(S)

Natural gas to be received by Company for the account of Buyer hereunder shall be received at or near the point(s) of receipt as set forth on Appendix A.

Natural gas to be delivered by Company for the account of Buyer hereunder shall be delivered on the outlet side of the measuring station(s) at or near the point(s) specified in Appendix B.

Additional information concerning receipt and delivery points is set forth on Appendices A and B to this Agreement, which are incorporated herein by reference.

ARTICLE V - QUALITY

All natural gas tendered for transportation to Company for the account of Buyer at the Receipt Point(s) shall conform to the quality specifications set forth in the General Terms and Conditions, as revised from time to time. Company may refuse to receive on a non-discriminatory basis any gas for transportation, which does not meet such quality specifications.

ARTICLE VI - PROCESSING

Company shall have the right to process, or cause to be processed, gas received from Buyer, and title to all extracted liquid and liquefiable hydrocarbons and other products, including any methane lost or removed in the extraction process or required for fuel, shall pass to Company at no cost, and Buyer shall hold Company harmless and free and clear of adverse claims.

ARTICLE VII - ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of any successor(s) to either Company or Buyer by merger, consolidation or acquisition. Either Company or Buyer may assign or pledge this Agreement and all rights and obligations under the provisions of any mortgage, deed or trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, neither Company nor Buyer shall assign this Agreement or any of its rights hereunder without first having obtained formal written consent of the other(s). Such consent shall not be unreasonably withheld.



ARTICLE VIII - INTERPRETATION AND MODIFICATION

The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Colorado.

This agreement, and all its rates, terms and conditions, shall at all times be subject to modification by order of the Commission upon notice and hearing and a finding of good cause therefor. In the event that any party to this agreement requests the Commission to take any action which could cause a modification in the conditions of this agreement, that party shall provide written notice to the other parties at the time of filing the request with the Commission.

ARTICLE IX - AGREEMENTS BEING SUPERCEDED

When this Agreement becomes effective it shall supersede and cancel any other Distribution Transportation Service agreements between the parties for the same service.

ARTICLE X - CERTIFICATIONS

By executing this Agreement, Buyer certifies that: (1) Buyer has title to, or a current contractual right to acquire such title to, the gas to be transported by Company; (2) Buyer has, or will have, entered into all arrangements necessary for the commitment of deliveries to Company; and (3) Buyer has a sales and, as applicable, a transportation contract(s) or will enter into such sales and, as applicable, a transportation contract(s) with the party ultimately receiving the gas, prior to the commencement of service.

ARTICLE XI - SPECIFIC INFORMATION

Distribution Transportation Service Agreement between SourceGas Distribution LLC ("Company") and _____ ("Buyer").

Contract Number _____

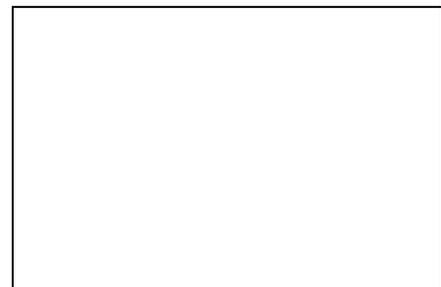
Contract Date ___/___/___

Primary Term _____

Renewal Term -month to month _____ Other _____

Termination Notice _____

Company SourceGas Distribution LLC
370 Van Gordon Street, Suite 4000
Lakewood, CO 80228
Attn: Business Development
Telephone: (303) 243-3400
Fax: (303) 243-3603



Buyer _____

Maximum Daily Service Quantity: _____ Mcf per day

The rate charged will be the maximum distribution transportation rate unless otherwise agreed to in writing.

Effective Date: _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by the parties with execution authority.

SourceGas Distribution LLC

By: _____
Title: _____

Buyer

By: _____
Title: _____



APPENDIX A

To the Distribution Transportation Service Agreement between SourceGas Distribution LLC
("Company")

and _____ ("Buyer")

Contract Number _____

Point of Receipt	Meter No.	Maximum Receipt Pressure	Maximum Daily Receipt Quantity	Atmospheric Pressure	Provision for Incre. Facility
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Quality Waivers:

This Appendix A supersedes and cancels any previously effective Appendix A to this Distribution
Transportation Service Agreement.

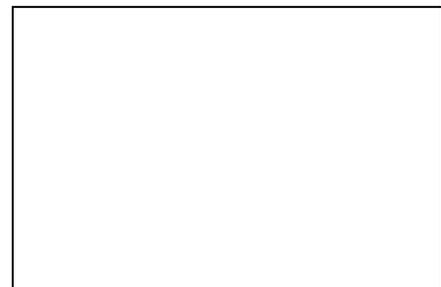
Effective Date : _____

SourceGas Distribution LLC

By: _____
Title: _____

Buyer

By: _____
Title: _____



APPENDIX B

To the Distribution Transportation Service Agreement between SourceGas Distribution LLC
("Company")

and _____ ("Buyer"),

Contract Number _____.

Point of Delivery	Meter No.	Maximum Daily Delivery Quantity	Priority Date	Provision for Incremental Facility
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This Appendix B supersedes and cancels any previously effective Appendix B to this Distribution
Transportation Service Agreement.

Effective Date: _____

SourceGas Distribution LLC

By: _____
Title: _____

Buyer

By: _____
Title: _____



FORM OF
DISTRIBUTION TRANSPORTATION SERVICE REQUEST

BUYER INFORMATION

Complete Legal Name of Buyer: _____

State of Incorporation: _____

Address: _____ For Billing: _____

Phone: _____ Phone: _____

For Notices: _____ For Scheduling and Volume Information:
(include street address for express service)

Contact Name: _____

Phone: _____ Phone: _____

Buyer is: _____ Producer _____ End User
_____ Marketer
_____ Other (specify) _____

Name and full title of Officer or General Partner who will execute the written distribution transportation service agreement with Company (If signatory person is not an officer, please provide written authorization for signature.)

Name: _____

Title: _____

If person requesting service is an Agent of Buyer, please provide proof of authority to act as Agent of Buyer and complete the following:

Legal Name of Principal: _____,

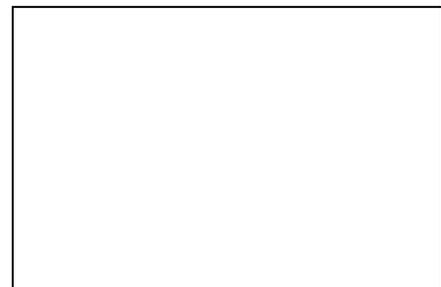
Which is a(n):

___ Local Distribution Company _____ Intrastate Pipeline

___ Interstate Pipeline _____ Producer

___ End User _____ Marketer

___ Other (specify) _____



FORM OF
DISTRIBUTION TRANSPORTATION SERVICE REQUEST - continued

SERVICE INFORMATION

Maximum Daily Distribution Quantity _____
Estimated Annual Volume _____

Requested term of service:
Initial delivery date _____

Termination date _____

Are additional or new facilities required for the Company to receive or deliver gas for the distribution service requested herein?

_____ Yes _____ No _____ Type

RECEIPT POINT INFORMATION

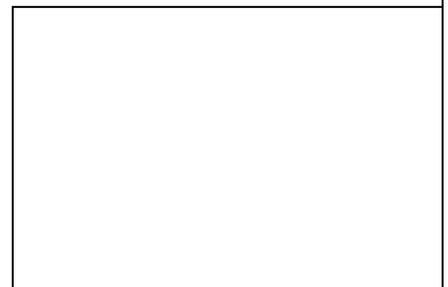
On the attached Exhibit A, please list the name, precise legal location, the maximum daily receipt quantity in Mcf being requested, and the heating value of the gas in Btu for each receipt point listed. If requesting a proposed receipt point, include a field contact, telephone number and a Billing name and address for the cost of installation.

DELIVERY POINT INFORMATION

On the attached Exhibit B, please list the name, precise legal location, the maximum daily distribution quantity in Mcf being requested, the state(s) in which the delivered gas will be consumed, the end use for the gas.

CREDIT INFORMATION

Please complete and attach a Credit Application in the form contained in the Company's Tariff.



FORM OF
DISTRIBUTION TRANSPORTATION SERVICE REQUEST - continued

AFFILIATE INFORMATION

The name(s) of End Users: _____

State any affiliation between the Company Distribution Transportation Division and any of the following parties to this transaction:

	Yes	No	If yes, Name
Buyer	_____	_____	_____
End User	_____	_____	_____
Supplier	_____	_____	_____
Other*	_____	_____	_____

* Describe involvement _____

If there is any affiliation between Buyer and Company, does the cost of gas to the affiliated marketer exceed the price received for the sale of gas by the affiliated marketer after deducting associated costs, including those incurred for distribution transportation (i.e., is the gas being sold at a loss?):

_____ Yes _____ No _____ Don't know

If so, by what amount? _____ per Mcf

If this information is not known, it must be supplied as soon as possible.



FORM OF
DISTRIBUTION TRANSPORTATION SERVICE REQUEST - continued

Buyer understands that this request form, complete and unrevised as to format, must be received by the Company before the distribution transportation request will be accepted and processed. Buyer further understands that Company is a local distribution company subject to the regulations of the Colorado Public Utilities Commission ("Commission"), and that Buyer's request will become part of a log available for public inspection. Buyer hereby agrees to pay Company's currently effective distribution transportation rate applicable for this service and to comply with all applicable terms of Company's Tariff. Buyer agrees that it will reimburse Company for the Commission's filing fees upon receipt of an invoice therefor.

Buyer, by its signature, represents to Company that the information above is correct and accurate.

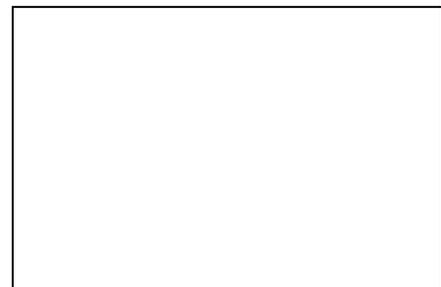
Very truly yours,

Signature

Typed Name and Title

Telephone Number _____

Facsimile Number _____



**FORM OF
CREDIT APPLICATION
SOURCEGAS DISTRIBUTION LLC**

Section 1 --General Information

Shipper Name _____

Shipper Address _____

DUNS# ___ - ___ - ___ FEIN ___ - _____

Contact Person _____ Telephone No. (____) _____

Business Entity: ___ "S" Corporation ___ "C" Corporation ___ Partnership ___ Other FAX No. (____) _____

Type of Business _____ Number of years in business _____

List parent corporation of Shipper (if Shipper is a subsidiary company) or general partners (if shipper is a partnership)

Section 2 -- Standardized Credit Information

Please provide the following information current as of the date of this Credit Application:

1. Shipper's long-term unsecured debt securities' ratings:

Moody's Investor Service _____
Standard and Poor's Corporation _____
Not rated by Moody's or S&P _____

2. Please enclose current audited financial statements, annual reports, or other reports to regulatory agencies, or any reports from credit reporting agencies if such financial statements are not available on "EDGAR" or its home page on the World Wide Web.

Section 3 -- Additional Financial Information and Documentation

- Is Shipper:*
- Operating under federal bankruptcy laws? __Yes __No
 - Subject to liquidation or debt reduction procedures under state laws? __Yes __No
 - Subject to pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration of Shipper's financial condition? __Yes __No
 - Subject to any collection lawsuits or outstanding judgments which would affect shippers ability to remain solvent? __Yes __No
 - Are there any overdue amounts owed SourceGas? __Yes __No



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**FORM OF
CREDIT APPLICATION
SOURCEGAS DISTRIBUTION LLC
(Continued)**

Shipper's Bank Reference (or other financing source)

Bank Name _____ Bank Account No. _____

Address _____

Loan Officer's Name _____ Telephone No. (____) _____

Please provide anticipated commencement date for requested service: _____

Estimated Monthly Charges for all services \$ _____

Incomplete applications will be declined.

Shipper's Signature

Date

Return this Credit Application and Supporting Financial Information to:

SourceGas Distribution LLC
370 Van Gordon Street
Suite 4000
Lakewood, CO 80228
Attention: Treasury Department
Telephone: 303/243-3400
Facsimile: 303/243-3603



FORM OF AGENCY AGREEMENT

TRANSPORTERS: SourceGas Distribution LLC
 Rocky Mountain Natural Gas Company
 SourceGas Distribution LLC – Casper Division

ALL Firm/Interruptible Gas Transportation/Storage/Compression Agreement(s) ("Agreement(s)") or specific Agreement No. _____ dated _____, between Transporter and _____ (Principal). Principal hereby designates _____ as its Agent to perform certain obligations under the Agreement(s) for the sole purpose of performing the following Interactive Website responsibilities (check all that apply).

- | | | |
|--|--|---|
| <input type="checkbox"/> Request Agreement(s)/Amendments | <input type="checkbox"/> Submit Nominations | <input type="checkbox"/> Imbalance |
| <input type="checkbox"/> Trading | | |
| <input type="checkbox"/> Execute Agreement(s)/Amendments | <input type="checkbox"/> Capacity Release/Bidding | <input type="checkbox"/> Receive Invoices |
| <input type="checkbox"/> Flowing Gas/By Contract | <input type="checkbox"/> Capacity Release/Create Offer | <input type="checkbox"/> Receive Notices |
| <input type="checkbox"/> Flowing Gas/By Point* | <input type="checkbox"/> Operator Confirmations** | <input type="checkbox"/> Contract Inquiry |
| | <input type="checkbox"/> Operator Point Inquiry** | |

*Attach List of Points/Pin No.
**Attach list of telemetered points.

Effective Start Date: _____ End Date: _____
Effective start date must be the first day of a flow month. The executed delegation forms must be received by Transporter at least two (2) business days prior to the date that nominations are due.

Detailed description of other responsibilities being DELEGATED: _____

By execution hereof, Agent accepts its designation and appointment as Agent for Principal and agrees to act as Agent for Principal in accordance with the terms hereof. Agent shall clearly specify it is acting on behalf of Principal in all actions taken in its role of Agent.

In lieu of the addresses set forth in the Agreement(s), all notices, invoices and correspondence concerning the above-mentioned delegated duties shall be directed to Agent at the following address:

Contact Person: _____
Telephone: _____ Fax: _____
Address: _____



GENERAL TERMS AND CONDITIONS

1. APPLICATION

The following General Terms and Conditions apply to the extent indicated and to the extent not superseded by inconsistent provisions in each of Company’s rate schedules covering distribution transportation services and sales services subject to the jurisdiction of the Colorado Public Utilities Commission. The General Terms and Conditions as contained herein are a binding part of Agreements between Company and Customer and/or Buyer.

2. DEFINITIONS

The following terms shall have the meanings defined below:

- 2.1. “Agent” means a representative of the Company, Buyer or a third party who is authorized to act for the Company, Buyer or the third party through employment or by contract.
- 2.2 Reserved for future use.
- 2.3 “Balance” and “Balancing” means the Buyer’s obligation to cause deliveries to equal receipts, with due consideration given to Reimbursement Quantities.
- 2.4 “British Thermal Unit” (Btu) - the amount of energy required to increase the temperature of one (1) pound of water one (1) degree Fahrenheit at fifty-nine (59) degrees Fahrenheit.
- 2.5 “Buyer” means a customer who has requested service from the Company, executed a contract for such service with the Company, and complied with all requirements, contract provisions, rules, and regulations of the Company and any regulatory body having jurisdiction. Buyer may or may not be the end user of the gas.
- 2.6 “Capacity” means the maximum gas volume which any particular segment of the Company’s system is capable of carrying under then current operating conditions.
- 2.7 “Commercial Service” is service to customers engaged primarily in the sale of goods or services including institutions and local, state, and federal government agencies for uses other than those involving manufacturing or electric power generation.
- 2.8 “Company” or “Transporter” means SourceGas Distribution LLC.



GENERAL TERMS AND CONDITIONS – continued

- 2.9 “Commission” shall mean the Colorado Public Utilities Commission (PUC) and any other governmental body or bodies succeeding to, lawfully exercising, or superseding any powers of the PUC.
- 2.10 “Company-used Gas” means the quantity of gas consumed by the Company for purposes of its gas operations.
- 2.11 “Cubic Foot of Gas” is the amount of gas necessary to fill a cubic foot of space when the gas is at a temperature of sixty (60) degrees Fahrenheit and under an absolute pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch.
- 2.12 “Curtailement” means the inability of the distribution Buyer to receive natural gas due to a shortage of natural gas supply.
- 2.13 “Customer” means any individually metered end user connected, or requesting to be connected, to Company's gas facilities.
- 2.14 “Daily Balancing Period” means that Day or Days for which the Company has posted notice on its interactive website that daily balancing of receipts and deliveries is necessary to maintain compliance with upstream pipeline directives, avoidance of upstream pipeline incremental charges, avoidance of a threat to the Company's system integrity, or avoidance of impact on the Company's sales and transportation service contractual obligations.
- 2.15 “Daily Metering” means if directed by the Company, the Buyer shall read the Company's gas meter each day at the time specified by the Contract and report such reading to the Company.
- 2.16 “Day” - A period of twenty-four (24) consecutive hours beginning and ending at eight o'clock a.m. Mountain Time or at such other hour as Buyer or Customer and Company may agree upon.
- 2.17 “Deficient Volumes” are any deficiency in Equivalent Volumes of Buyer's gas at Delivery Point(s) compared to total gas measured through Company's meter(s) at Delivery Point(s) for any given period of time.
- 2.18 “Distribution Charge” means that portion of the amount to be paid monthly by the Buyer for service, which is based upon the quantity of gas delivered to the Buyer at Buyer's Delivery Points.

GENERAL TERMS AND CONDITIONS – continued

- 2.19 “Distribution Transportation Service” by Company consists of acceptance of gas tendered by Buyer to Company’s Distribution Transportation System at the Point(s) of Receipt, and direct delivery, displacement delivery or exchange delivery for Buyer's account, including receipt at mainline measuring facilities. Distribution transportation service does not apply to wellhead, gathering, processing, or storage facilities and services.
- 2.20 “Distribution Transportation Service Agreement” shall mean a written agreement, providing for gas distribution transportation service, which is executed by the Company and the Buyer, and any exhibits, attachments, and/or amendments thereto.
- 2.21 “End-User” is the party or parties that ultimately consume the supply of natural gas at the Delivery Point(s).
- 2.22 “Equivalent Volumes” are the sum of the volumes of gas measured in MCF at a specific pressure base at Receipt Point(s) during any given period of time reduced by the appropriate Company's Percentage Lost and Unaccounted for gas results in an equivalent volume of gas delivered to the Delivery Point(s).

Thus, at an identical pressure base Equivalent Volumes at Receipt Point(s) (EVRP) and Equivalent Volumes at Delivery Point(s) (EVDP) are related mathematically as follows:

$$EVDP = EVRP \times \left(\frac{1 - \%L\&U}{100} \right) \quad \text{and} \quad EVRP = EVDP \times \left(\frac{1}{1 - \%L\&U} \right)$$

where %L&U is Company’s Percentage Lost and Unaccounted for Gas.

- 2.23 “Essential Industrial Process or Feedstock Use” means any use of natural gas in an industrial process or as a feedstock which the Secretary of Energy determines is essential.
- 2.24 “Excess Volumes” means any excess of total gas measured through Company meter(s) at Delivery Point(s) less Equivalent Volumes of Transportation Buyer’s gas at Delivery Point(s) for any given period of time.
- 2.25 “Feedstock Gas” is defined as natural gas used as raw material for its chemical properties in creating an end product.

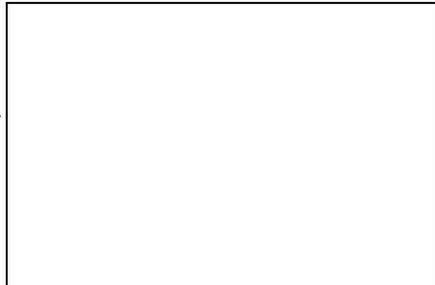


GENERAL TERMS AND CONDITIONS – continued

- 2.26 “Fuel Reimbursement Quantity” is that portion of Buyer’s natural gas received by Company for distribution hereunder which is retained by Company as compensation for company-used gas and lost and unaccounted for gas. The Fuel Reimbursement Quantity is stated as a percentage of the natural gas delivered by Buyer at the Point(s) of Receipt. Title to Fuel Reimbursement Quantity shall rest in Company upon receipt at the Receipt Point(s) at no cost, and free and clear of all adverse claims. The Company shall recalculate its fuel reimbursement percentages annually using prior year actuals ending May 31st, to be filed with the Colorado PUC in conjunction with the Company’s annual Gas Cost Adjustment filing to be effective November 1.
- 2.27 “Gas” or “Natural Gas” is any mixture of hydrocarbons or of hydrocarbons and non-combustible gas, in a gaseous state, consisting essentially of methane.
- 2.28 “Gross Dry Heating Value” is the number of Btus produced by complete combustion, at a constant pressure, of the amount of gas which would occupy a volume of 1 cubic foot at a temperature of 60 degrees Fahrenheit on a water-free basis and at a pressure of 14.73 p.s.i.a. with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, and when the water formed by combustion has condensed to the liquid state.
- 2.29 “Imbalance” shall mean the difference between the MMBtu of distribution gas received by the Company for the Buyer’s account and the MMBtu of distribution gas delivered by the Company to the Buyer or for the Buyer’s account at the Buyer’s Delivery Point, with due regard given to Fuel Reimbursement Quantity.
- 2.30 “Industrial Service” is service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.
- 2.31 “Interruptible” means that Company has the right to stop, in whole or in part, receipt, or delivery of natural gas at any time. Company shall provide as much advance notice as is practical to Buyer, except as may otherwise be specifically provided for in this Tariff.
- 2.32 “Interruption” means the Company’s inability to provide distribution to a distribution Buyer due to constraints on the pipeline system.
- 2.33 “Lost and Unaccounted-For Gas” means the difference between the sum of all input quantities of gas received into the Company’s distribution system and the sum of all output quantities of gas delivered from the Company’s distribution system, which difference shall exclude Company-used gas and shall include, but not be limited to, gas vented and lost as a result of an event of force majeure.
- 2.34 “MBS” means Mainline Border Station.
- 2.35 "Mainline Customer" is a customer served off the mainline upstream of the MBS or TBS.

GENERAL TERMS AND CONDITIONS – continued

- 2.36 "Maximum Daily Delivery Quantity" (at individual delivery point(s) ("MDDQ")) means the maximum quantity of natural gas in MMBtu which Buyer is entitled to receive from Company on any day at a particular delivery point specified in the executed Distribution Transportation Service Agreement, should capacity be available.
- 2.37 "Maximum Daily Receipt Quantity" ("MDRQ") means the maximum quantity of natural gas in MMBtu which Buyer is entitled to tender to Company at an individual receipt point on any day.
- 2.38 "Maximum Daily Service Quantity" ("MDSQ") is the maximum quantity of natural gas in MMBtu which Buyer is entitled to tender to Company on any day for the account of Buyer at all Receipt Point(s) should capacity be available. Such receipt point(s) and the MDSQ shall be specified on the executed Distribution Transportation Service Agreement. The MDSQ shall include the applicable Fuel Reimbursement Quantity.
- 2.39 "Mcf" - is one thousand (1,000) cubic feet of gas.
- 2.40 "MMBtu" is one million (1,000,000) British thermal units.
- 2.41 "Month" - A period beginning at eight o'clock a.m., Mountain Time, or at such other hour as Buyer or Customer and Company have agreed upon, on the first day of the calendar month and ending at the same time on the first day of the next month.
- 2.42 "Monthly Billing Period" - is the calendar month.
- 2.43 "Party" means Buyer, Customer or Company.
- 2.44 "Point of Delivery" or "Delivery Point" - The point of connection between facilities of Company and another party at which the gas leaves the outlet side of the measuring equipment or main of Company and enters the facility of other party or other agreed upon point.
- 2.45 "Principal" means the employer or hiring party responsible for an Agent.
- 2.46 "Process Gas" is defined as gas use for which alternate fuels are not technically feasible such as in applications requiring temperature controls and precise flame characteristics. For the purposes of this definition, propane and other gaseous fuels shall not be considered alternate fuels.
- 2.47 "p.s.i.a." means pounds per square inch absolute.
- 2.48 "p.s.i.g." means pounds per square inch gauge.



GENERAL TERMS AND CONDITIONS – continued

- 2.49 “Point of Receipt” or “Receipt Point” means the point(s) at which the upstream facilities are interconnected with the Company's facilities and at which the gas flow is metered.
- 2.50 “Request for Gas Transportation Service” is a written request for transportation service submitted by Buyer in the form described by the Standard Form of Distribution Transportation Service Request provided in this Tariff.
- 2.51 “TBS” means Town Border Station.
- 2.52 “Total Energy Content” is that amount determined by multiplying the Gross Dry Heating Value by the volume of gas in cubic feet.
- 2.53 “Transportation Agreement” is a complete and fully executed (by Company and Buyer) Distribution Transportation Service Agreement.
- 2.54 “Year” is a period of three hundred sixty-five (365) days commencing and ending at eight o'clock a.m. Mountain Time, provided that any year which contains that date of February 29 shall consist of three hundred sixty-six (366) days.



Advice Letter No. 227

Bentley W. Breland
Issuing Officer

Issue Date: February 20, 2008

Decision or
Authority No.

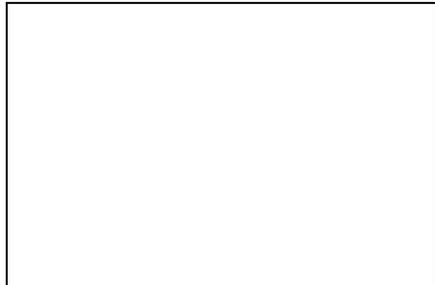
Sr. Vice President
Title

Effective Date: February 29, 2008

GENERAL TERMS AND CONDITIONS – continued

3. QUALITY

- a. Natural Gas to be delivered by Company shall be of merchantable quality. Company reserves the right to extract or retain or permit the extraction of gasoline or any other substance whatsoever from, or otherwise treat (without impairing its merchantability), the natural gas to be delivered hereunder.
- b. Unless otherwise agreed, gas tendered to Company at each Point of Receipt shall comply with the following quality specifications:
 - (1) At a base pressure of 14.73 p.s.i.a. and a base temperature of 60 degrees Fahrenheit, such gas shall not contain more than:
 - (a) 1/4 grain of hydrogen sulphide per 100 cubic feet;
 - (b) 5 grains of total sulphur per 100 cubic feet;
 - (c) 1 grain of mercaptans per 100 cubic feet;
 - (d) 2.0 percent by volume of carbon dioxide;
 - (e) 6 pounds of water vapor per million cubic feet
 - (f) 10 parts per million (0.001 percent) by volume of oxygen; and
 - (2) Such gas shall be commercial in quality and shall be free from any foreign material such as solids, sand, dirt, dust, gums, crude oil, water or hydrocarbons in the liquid phase, iron particles, and other objectionable substances which may be injurious to pipelines or which may interfere with its transportation or commercial utilization.
 - (3) At a base pressure of 14.73 p.s.i.a., the Gross Dry Heating Value of such gas shall not be less than 950 BTUs nor more than 1150 BTUs per cubic foot.
 - (4) The temperature of such gas shall not exceed 120 degrees Fahrenheit. However, if Company is required to dehydrate the gas at the Point(s) of Receipt, then the temperature of such gas shall not exceed 90 degrees Fahrenheit.
 - (5) The gas shall not contain hydrocarbons in the liquid state at the maximum pressure specified in the Agreement, or the pressure existing at the Point of Receipt, if higher.



GENERAL TERMS AND CONDITIONS – continued

3.1 QUALITY TESTING

- a. The Party operating the measuring equipment, shall use approved standard methods in general use in the gas industry and shall cause adequate tests to be made to determine the quality of the gas delivered hereunder. Such tests shall be made frequently enough to insure that the gas conforms to the specifications hereof.
- b. If gas tendered to Company fails to meet the specifications of this Tariff, the measuring Party shall notify the other Party of such failure. The receiving Party may refuse to accept such gas. The Party tendering non-specification gas hereunder shall indemnify the receiving Party for any injury, damage, loss, or liability caused by the delivery of such gas, except to the extent the receiving Party knowingly and willingly accepts such non-specification gas.

GENERAL TERMS AND CONDITIONS – continued

4. MEASUREMENTS.

a. The unit of volume for the purpose of measurement and for the determination of total heating value shall be the cubic foot of gas as defined in this Tariff. Volumes of gas measured at prevailing meter pressures and temperatures shall be corrected to the unit of volume define above by the procedures described below:

- (1) Orifice Meters: Installation and the determination of volumes delivered through orifice meters shall conform to the recommendations in "Gas Measurement Committee Report Number Three" of the American Gas Association as amended, revised or superseded from time to time. Values of the orifice thermal expansion factor, manometer factor and gauge location factor shall be assumed to be unity.
- (2) Turbine Meters: Installation and the determination of values delivered through turbine meters shall conform to the recommendations in "Transmission Measurement Committee Report Number Seven" of the American Gas Association as amended, revised or superseded from time to time.



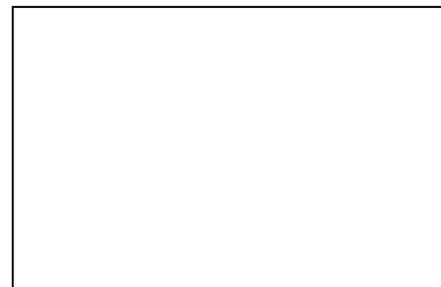
GENERAL TERMS AND CONDITIONS – continued

- (3) Positive Displacement Meters: Installation and the determination of volumes delivered shall conform to the recommendations in "Gas Measurement Manual Displacement Measurement Part Number Two" of the American Gas Association as amended, revised or superseded from time to time.

- b. The atmospheric pressure shall be the average atmospheric pressure as determined by elevation at the Points of Delivery and Receipt.

- c. The volume of gas delivered through each Point of Delivery and Receipt shall be corrected to a base temperature of sixty (60) degrees Fahrenheit by using:
 - (1) The arithmetic average of the hourly temperatures recorded by a properly installed continuously operated recording thermometer, or
 - (2) A meter containing a temperature operated device, hereinafter referred to as a temperature compensated meter, through the operation of which the meter correctly registers the volume, corrected to sixty (60) degrees Fahrenheit; or
 - (3) An assumed temperature of the gas flowing through the meters of fifty (50) degrees Fahrenheit in the case of any small volume delivery where Company does not elect to install a recording thermometer or temperature compensated meter. However, in the event Company does not install a recording thermometer or temperature compensated meter, Buyer may install a recording thermometer and in such case the temperature so recorded shall be used in correcting to a temperature of sixty (60) degrees Fahrenheit.

- d. When orifice meters are used, the specific gravity of the gas delivered hereunder shall be determined by approved methods once a month, or as frequently as necessary for reasonably accurate determination, and the specific gravity so obtained shall be used in computing volumes of gas delivered hereunder.



GENERAL TERMS AND CONDITIONS – continued

- e. The components for determining the deviation from Boyle's Law, at the pressure and temperature under which delivered, shall be determined by tests at intervals of twelve (12) months or at such shorter interval as is found necessary. The correction factor determined by using American Gas Association "Report Number Eight" or American Gas Association "Project NX-19" shall be used in the computation of deliveries until the next test.
- f. The heating value of the gas delivered shall be determined by approved recording calorimeters, gas samples or chromatographs.

5. MEASURING EQUIPMENT

- a. Company agrees to install, operate and maintain on its pipeline at or near each point of connection of the facilities of Company and Buyer (or another party which is distributing the gas on behalf of Buyer), a meter or meters of standard type and design to measure all of the gas to be delivered hereunder. Company also agrees to install, operate and maintain at or near each Point of Delivery such pressure regulating equipment as may be necessary.
- b. Buyer may install, operate and maintain, at its own expense, check measuring equipment as it shall desire, provided that check meters and equipment shall be installed as not to interfere with the operation of Company's meters at or near the Point of Delivery. Company shall have access to check measuring equipment at all reasonable hours but the reading, calibrating and adjusting thereof and changing of charts shall be done only by Buyer.
- c. Both Company and Buyer shall have the right to be represented at any installing, reading, cleaning, changing, repairing, inspecting, calibrating or adjusting done in connection with the other's measuring equipment installed hereunder. The records from such measuring equipment shall remain the property of the owner but the owner upon request to the other will submit records and charts, together with calculations therefrom, for its inspection and verification, subject to return within ten (10) days after receipt.



GENERAL TERMS AND CONDITIONS – continued

6. METER TESTS AND ADJUSTMENTS

a. Testing Equipment and Certification.

Inspection certificates are kept with the testing equipment and copies of the certificates are kept on file in the Company’s offices in Lakewood, Colorado.

b. Before being installed for use by a Customer, every gas service meter, whether new, repaired or removed from service for any cause shall be in good order, and shall be adjusted to be correct to within one percent when passing gas at 20 percent of its rated capacity at one-half inch water column differential. Rotary displacement type gas service meters in sizes having a rated capacity of more than 5,000 cfh at a differential not to exceed two inches water column shall be tested and adjusted to be correct within two percent slow and one percent fast when passing gas at ten percent of its rated capacity and shall be adjusted to be correct within one percent slow and one percent fast when passing gas at 100 percent of its rated capacity.

c. Periodic testing shall be completed in accordance with the Company’s “Sampling Program” on file with the Colorado Public Utilities Commission.

(1) If, upon any test, measuring equipment is found to be not more than one percent (1%) fast or slow, previous readings of such equipment shall be considered correct in computing deliveries of gas; the equipment shall be properly adjusted at once to record accurately.

(2) If, upon any test, any measuring equipment shall be found to be inaccurate by an amount exceeding one percent (1%), then any previous readings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon. In case the period is not known definitely or agreed upon, such adjustment shall be for a period extending over one-half of the time elapsed since the date of last test but not exceeding a correction period of thirty (30) days.



GENERAL TERMS AND CONDITIONS – continued

- b. If, for any reason, Company's meters are out of service or out of repair so that the quantity of gas delivered is not correctly indicated by the reading thereof, the gas delivered during the period such meters are out of service or out of repair shall be estimated and agreed upon on the basis of the best data available, using the first of the following methods which shall be feasible:
 - (1) By using the registration of any check meter or meters if installed and accurately registering;
 - (2) By correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation; or
 - (3) By estimating the quantity of delivery by deliveries during preceding period under similar conditions when the meter was registering accurately.
- c. If Company institutes a new method or technique of gas measurement, such as electronic metering, such new method or technique may be substituted by Company in exercise of its reasonable judgment. Company shall promptly inform Buyer of any such new technique adopted and the date of its implementation.

7. BILLING

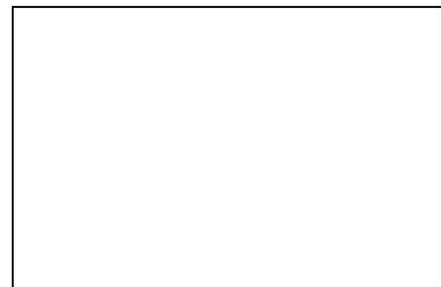
- a. Company shall render invoices on or before the tenth day of each month for all gas delivered, or in the case of transportation service, delivered, in the preceding monthly billing period. When information necessary for billing purposes is in the control of Buyer, such information shall be delivered to Company by Buyer on or before the fifth day of the month following the month in which service was provided.
- b. Both Company and Buyer have the right to examine at reasonable times those books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.
- c. Each Month Company shall invoice Buyer for any penalties which may be applicable. Buyer shall pay Company such charges within 20 days of the invoice date except where otherwise specified in a rate schedule. Charges more than twenty (20) days overdue shall accrue interest at the deposit interest rate as set forth in the Colorado PUC's Rules Regulating Gas Utilities and Pipeline Operators.



GENERAL TERMS AND CONDITIONS – continued

8. PAYMENTS

- a. Buyer shall pay to Company at its designated office on or before the twentieth day of each month for the natural gas delivered by Company during the preceding month as billed by Company in the invoice for said month.
- b. Notwithstanding Section 8a above, Buyer's payment shall not be due until ten days from the date the Company's invoice for distribution services is rendered.
- c. Any payments received shall first be applied to accrued interest, then to penalties due, then to the previously outstanding principal due, and lastly, to the most current principal due. Charges more than twenty (20) days overdue shall accrue interest at the deposit interest rate as set forth in the Commission's Rules Regulating Gas Utilities and Pipeline Operators.
- d. Buyer and each Customer (if different from Buyer) receiving Buyer's gas through Company's distribution system acknowledges that service provided hereunder is for the benefit of Customer and if Buyer or Customer fails to make timely payment for any service provided hereunder, or is in violation of any rule or regulation of Company or the Colorado Public Utilities Commission, all service provided to Buyer and Customer shall be subject to termination in accordance with the Public Utilities Commission's Rules Regulating Gas Utilities and Pipeline Operators. If such termination of Buyer's or Customer's service is as a result of Buyer's failure to make timely payment, Buyer or Customer shall be subject to termination in accordance with the Commission's Rules Regulating Gas Utilities and Pipeline Operators.



GENERAL TERMS AND CONDITIONS – continued

9. OPERATIONS BY BUYER AND COMPANY

- a. Upon request, Buyer shall furnish to Company, as far in advance as operations permit, estimates of the expected daily, monthly and annual quantities of natural gas required by Buyer.
- b. Each Party shall use reasonable efforts to deliver, or cause to be delivered, gas at reasonably uniform hourly and daily rates of flow. However, either Party may request the other to change the rates of deliver or receipt. The Party requested to make such changes will do so to the extent that it can without adversely affecting its deliveries of gas to any other customer or without adversely affecting Company’s own gas supply planning.
- c. Company shall deliver volumes for Buyer's account concurrently with the receipt of Receipt Volumes to the extent practicable. The Parties recognize that they may be unable to control exactly the quantities of gas received and delivered on any day and that the quantities received by Company may vary from the quantities delivered on any day. Variations shall be kept to the minimum and shall be balanced as soon as practicable. Company shall be under no obligation to accept from Buyer more gas at any Receipt Point than has been nominated by such Buyer for the Receipt Point for that day.

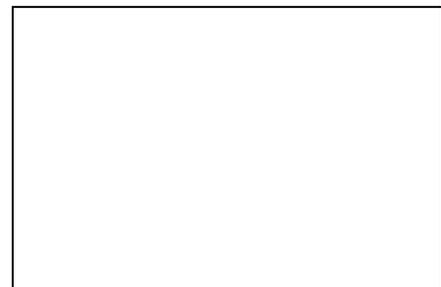
10. Reserved for future use.

11. Reserved for future use.

12. Reserved for future use.

13. POSSESSION OF GAS

- a. Buyer shall be in exclusive control and possession of the gas until such has been received by Company at the Point(s) of Receipt.
- b. Company shall be in control and possession of the gas received from Buyer hereunder and is responsible for any damage or injury caused thereby until the same has been delivered to Buyer at the Point(s) of Delivery. The Point(s) of Delivery of the gas is specified to be the point of division of responsibility between the parties. Thereafter, sole responsibility and liability in relation to the gas shall attach to Buyer. Company's responsibility with respect to Buyer's gas shall be deemed to be met if Company exercises due diligence in protecting such gas.



GENERAL TERMS AND CONDITIONS – continued

- c. Company and Buyer each indemnifies and saves harmless the other for any and all damages, claims or actions arising out of the maintenance or operation of the other's property or equipment. Neither party shall indemnify the other for any such damages, claims or actions arising out of the negligence of the other party, its employees or agents.

14. PRESSURE

- a. Company shall use due care and diligence to furnish gas hereunder at such uniform pressure as Buyer may request but Company shall not be required to deliver at a pressure exceeding the normal operating pressure at Point of Delivery. Buyer shall install, operate and maintain such pressure regulating devices as may be necessary or appropriate to regulate the pressure of the gas after its delivery to Buyer.
- b. Buyer shall tender gas at the Point(s) of Receipt at a pressure sufficient to enter Company's System. Except with the agreement of Company, Buyer shall not be permitted to tender the gas at any Point of Receipt at a pressure in excess of the pressure specified for that Point of Receipt as set forth in the applicable service agreement.

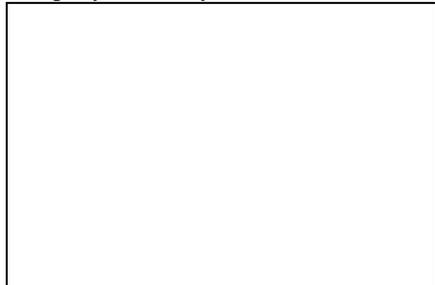
15. WARRANTY OF TITLE TO GAS

- a. Buyer warrants title to gas hereunder at the time of tender to Company and that this title is free from all liens and adverse claims.
- b. Each Party shall indemnify the other Party against all damages, costs and expenses of any nature whatsoever arising from every title claim against said gas.

16. LIMITATIONS ON OBLIGATIONS

a. FORCE MAJEURE

- (1) It is expressly agreed that Company shall not be liable on any account whatsoever to Buyer for any failure, interruption or diminution in delivery of gas hereunder or any act, omission or circumstance occasioned by or in consequence of accident to or breakage of pipelines, equipment or machinery, explosions, landslides, earthquakes, fires, lightning, floods, washouts, freezing, storms, the elements, the making of repairs, alterations or replacements, strikes, lockouts or other industrial disturbances, riots, insurrections, civil disturbances, pestilence, acts of God or the public enemy, war, legal interferences, orders or requirements of any court of competent authority, government agency, depletion or destruction of gas wells or fields, diminution or failure of, or interference, partial or entire, with Company's natural gas supply, or, and without limitation by the foregoing, any other causes beyond reasonable control of Company. In every case, Company shall exercise diligence to remove any such interference with its delivery of gas and shall resume such delivery at the earliest practical time.

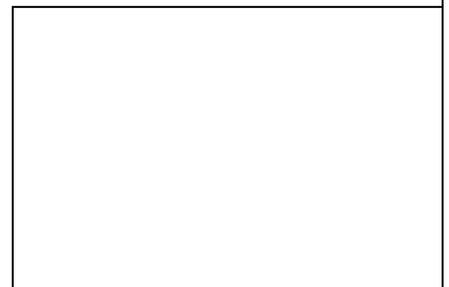


GENERAL TERMS AND CONDITIONS – continued

- (2) Buyer shall not be liable to Company for any failure to receive natural gas hereunder when occasioned by, or in consequence of accident to or breakage of pipelines, equipment or machinery, explosions, landslides, earthquakes, fires, lightning, floods, washouts, freezing, storms, the elements, the making of repairs, alterations or replacements, strikes, lockouts or other industrial disturbances, riots, insurrections, civil disturbances, pestilence, acts of God or the public enemy, war, legal interferences, orders or requirements of any court of competent authority, government agency, or, and without limitation by the foregoing, any other causes beyond reasonable control of Buyer. Any such cause or contingency exempting Buyer from liability for non-performance (excepting where prevented by valid orders or requirements of Federal, State or other governmental regulatory bodies having jurisdiction in the premises) shall not relieve Buyer of its obligation to pay demand charges or reservation charges or any other amounts owed in accordance with the provisions of the applicable rate schedule. However, Buyer's continuing payment obligation does not include the monthly administrative charge for any month in which no service was provided due to force majeure. In every case, Buyer shall exercise diligence to remove any such interference with its receipt of gas and shall resume such receipt at the earliest practicable time.

GENERAL TERMS AND CONDITIONS – continued

This Sheet has been reserved for future use.



Advice Letter No. 227

Bentley W. Breland
Issuing Officer

Issue Date: February 20, 2008

Decision or
Authority No.

Sr. Vice President
Title

Effective Date: February 29, 2008

GENERAL TERMS AND CONDITIONS – continued

b. LIMITATIONS ON CAPACITY FOR RECEIPTS AND DELIVERIES

- (1) See Section 16.e, below, for limitations on capacity for receipts.
- (2) Priorities for Interruption of Service. Whenever Company’s system is unable, for any reason, to receive or deliver gas to satisfy the needs of all Buyers requesting service, Company will reduce deliveries as follows:

PRIORITY 1 (Highest Priority - Firm Sales or Firm Transportation)

Requirements of persons using natural gas in dwellings for residential purposes, including apartment buildings and other multi-unit buildings, and requirements of small commercial consumers (including public and private institutions and local, state and federal governmental agencies) having requirements on a peak day of less than fifty (50) Mcf for purposes other than those involving manufacturing or electric power generation, including all requirements:

- (1) in a school, defined as a facility the primary function of which is to deliver instruction to regularly enrolled students in attendance at such facility;
- (2) in a hospital, defined as a facility the primary function of which is delivering medical care to patients who remain at the facility, including nursing and convalescent homes;
- (3) for police and/or fire protection and in sanitation and correctional facilities.

PRIORITY 2 (Second Highest Priority - Firm Sales or Firm Transportation)

Any use of natural gas which has been certified by the Secretary of Agriculture as an essential agricultural use under Section 401(b) of the Natural Gas Policy Act unless the Commission, in consultation with the Secretary of Agriculture determines, by rule or order that the use of an alternative fuel is economically practicable and reasonably available. The definition of "alternative fuel" shall be that stated in 18 CFR 281.303(b) as amended from time to time. Peak day volumes shall be based on current requirements unless such volumes exceed contract or certificate limitations.



GENERAL TERMS AND CONDITIONS – continued

PRIORITY 3 (Third Highest Priority - Firm Sales or Firm Transportation)

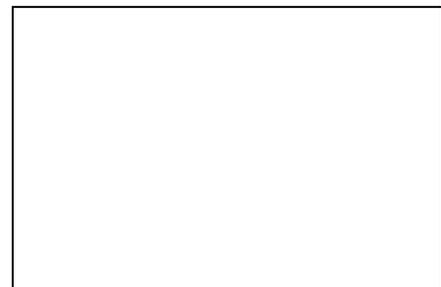
All uses by commercial consumers having requirements on a peak day of fifty (50) Mcf or more except for boiler fuel use by commercial consumers having requirements on a peak day of more than three hundred (300) Mcf, and all industrial consumers for feedstock and process needs having requirements on a peak day of not more than five hundred (500) Mcf and for ignition fuel and flame stabilization for boilers when fired by other fuels. An industrial consumer requiring gas for ignition fuel and flame stabilization shall not take more gas for this purpose than is required for safe operation of its plant but shall not take more gas on any day than the volume shown in Priority 3 as its peak day requirement.

PRIORITY 4 (Fourth Highest Priority - Firm Sales or Firm Transportation)

- (1) Essential Industrial Process and Feedstock uses of consumers having a peak day requirement in excess of five hundred (500) Mcf.
- (2) Firm Service for which there is no end use information or firm service not specified in any other priority.

PRIORITY 5 (Fifth Highest Priority - Interruptible Sales or Interruptible Transportation)

- (1) Receipts, transportation, and deliveries of requirements for boiler fuel use by industrial and commercial customers having requirements for such use on a peak day of more than three hundred (300) Mcf and deliveries of requirements for other industrial uses having a peak day requirement for such use of more than five hundred (500) Mcf and,
- (2) Any service provided on an interruptible basis.



GENERAL TERMS AND CONDITIONS – continued

c. PROCEDURES

- (1) Firm Service. Within each firm priority, receipts, transportation and deliveries shall be reduced pro rata based on daily contract quantity.
- (2) Firm and Interruptible Service.
 - (a) Receipts, transportation and deliveries shall not be reduced to Buyers in any priority until receipts, transportation and deliveries to lower priority Buyers have been fully reduced (the next higher numerical priority)
 - (b) Notwithstanding the above, Company may make deliveries as necessary to forestall irreparable injury to persons or property. Such situations include, but are not limited to, space heating of plant offices and heating for minimum plant protection or maintenance.
- (3) Interruptible Service.
 - (a) Interruptible service will be provided based on rate. Buyers receiving interruptible service at a lower rate will have receipts, transportation and deliveries reduced before those Buyers receiving service at a higher rate. Should two (2) or more Buyers have the same rate, service shall be provided on a pro rata basis, based on the nominations (transportation) or contract quantity (sales).

GENERAL TERMS AND CONDITIONS – continued

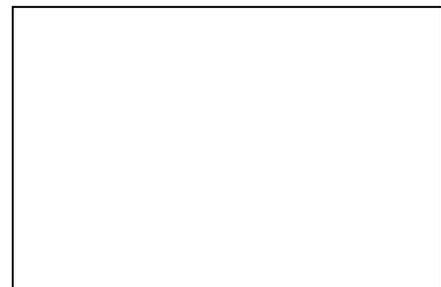
(b) Notwithstanding the above, Company may make deliveries as necessary to forestall irreparable injury to persons or property. Such situations include, but are not limited to, space heating of plant offices and heating for minimum plant protection or maintenance.

(4) It is allowable for a Buyer to contract for a lower priority service than that otherwise provided in this section.

d. INDEX OF REQUIREMENTS

Company shall prepare and maintain from information provided by Buyer an Index of Requirements which shall show the peak day requirements of each consumer or of each class of consumers, when appropriate, subject to reduction in deliveries under this section based upon end use and served directly or indirectly by deliveries from Company included in Priority 1, Priority 2, Priority 3, Priority 4, and Priority 5. Such index shall be prepared in accordance with the procedures contained in Section 16.c., as amended from time to time and interpreted in accordance with the priorities as defined in Section (b) and the rules stated below:

(1) The classification of consumers in Priority 5 shall be based on the peak day requirements of the consumers' facilities. Peak day requirements shall mean the maximum volume delivered to the consumer on any day for use by the consumer in the equipment currently in service.

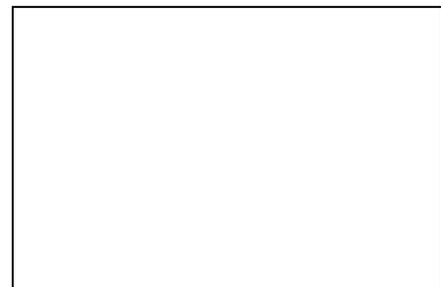


GENERAL TERMS AND CONDITIONS – continued

- (2) The requirements of small consumers, such as residential, commercial, small industrial, irrigation, and grain drying, may be grouped by classes.
- (3) Company’s obligation to deliver gas to a sales-for-resale Customer or to any directly served Distribution Transportation Buyer shall not exceed its delivery obligation under its service agreement with such consumer or any certificate limitation pertaining thereto.

e. SUPPLY DEFICIENCIES

- (1) Buyer’s gas volumes received, transported, and delivered by Company pursuant to its Distribution Transportation Rates Schedules shall not be subject to reduction under this tariff solely by reason of a deficiency in the gas supply dedicated to Company’s sales Customer. This supply deficiency shall not be made up by using the Distribution Transportation Buyer’s supplies, unless agreed to by the Distribution Transportation Buyer.
- (2) In the event that a receipt and delivery capability limitation is applicable only to a specific pipeline or area of the system, and the only receipt and delivery reductions required relate to that pipeline or area, then the reductions prescribed above may be limited to such pipeline area.
- (3) Company will use reasonable efforts to give at least four (4) hours notice in advance of the time reductions of takes are to commence. However, when reductions are due to an event of force majeure, Company shall give whatever notice is practicable under the circumstances.
- (4) It is allowable for a Buyer to contract for a lower priority service than that otherwise provided in this section.
- (5) Interruption of gas service shall be in accordance with the class by class priorities as set out in Section 16.b, above.



GENERAL TERMS AND CONDITIONS – continued

17. LIABILITY

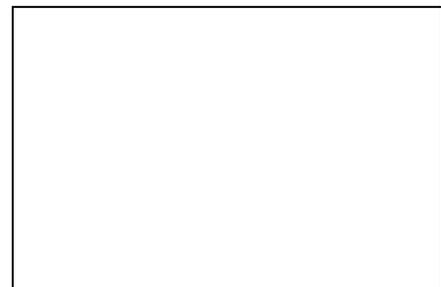
- a. If service under this Tariff is interrupted, Company shall not be liable for damages of any kind, including consequential damages, to any Buyer or other party.
- b. Company shall have the right, without liability to any Buyer or other party, to interrupt the transportation, sale, or delivery of gas when necessary to test, alter, modify, enlarge, repair, or maintain any facility, property or appurtenance related to the operation of its pipeline system.

18. REMEDIES

- a. Company is not required to perform service under the Distribution Transportation Service Agreement on behalf of any Buyer that fails to comply with any and all of the terms and conditions of the Distribution Transportation Service Agreement including the applicable rate schedules and these General Terms and Conditions.
- b. The failure of Buyer to timely pay any bill rendered it by Company shall be handled in accordance with the provisions in the Colorado PUC's rules Regulating the Service of Gas Utilities, and the provisions of this Tariff.
- c. No provision of these General Terms and Conditions regarding specific remedies shall bar either Company or Buyer from asserting any other remedy it may have at law or in equity.

19. DULY CONSTITUTED AUTHORITIES

- a. This Gas Tariff including these General Terms and Conditions and the respective obligations of the parties under the Distribution Transportation Service Agreement are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.



GENERAL TERMS AND CONDITIONS – continued

- b. Each Party's obligations under a Distribution Transportation Service Agreement incorporating these General Terms and Conditions are conditioned upon each Party obtaining from governmental authorities having jurisdiction such authorization as may be necessary.
- c. The Parties recognize that the rates, terms, and conditions for service hereunder may require change from time to time. Accordingly, Company's rates, terms and conditions, may from time to time be changed by appropriate lawful processes, including the filing of changed provisions with the PUC. Company shall be entitled to collect such changed rate from Buyer commencing with the effective date of such change. Buyer shall be obligated to pay the changed rate, made effective in the manner described above, but nothing herein contained shall prejudice the rights of Buyer to contest at any time changes to the charges for the services rendered hereunder by Company.

20. NOTICES

Except as otherwise provided in this Tariff or the Agreement, operational communications may be made by telephone or other mutually agreeable means, provided that the Company shall keep a written log of all communications with Buyers made by telephone, any notice, request, demand, statement or bill provided for in these General Terms and Conditions and the rate schedules to which they apply, or any notice which either Company or Buyer may desire to give to the other, shall be in writing and shall be considered as duly delivered when deposited in the United States mails, postage prepaid and registered, addressed to the Post Office address of Company or Buyer, or at such other address as either shall designate by formal written notice, except that routine communications (including monthly statements and payments) shall be considered as duly delivered when mailed by either registered or ordinary mail, and except that notices pursuant to Section 16, "Limitations on Obligations" may be given orally.



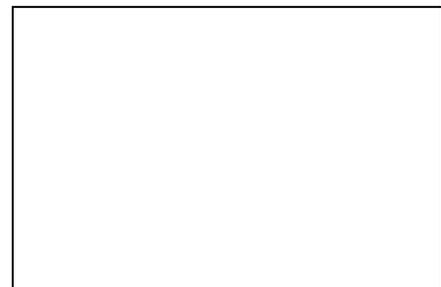
GENERAL TERMS AND CONDITIONS - continued

21. OPERATIONAL CONTROLS

When the Company reasonably determines that its projected system deliverability or operational integrity, including the ability to provide any Buyer its firm service entitlement, is threatened or compromised, the Company shall be authorized to take action to correct such situation as described below. In such event, the Company shall, to the extent practicable, seek to remedy the situation as provided below; provided, however, that nothing herein shall preclude the Company from bypassing one or more of the steps described below, if, in the Company's reasonable judgment, the situation so requires.

21.1 Operational Alerts. The Company may issue Operational Alerts, consisting of the following, as applicable:

- A. A description of the affected portion(s) of the system;
- B. A description of the condition(s) to be corrected and/or designation of Buyer(s) to whom the Operational Alert is addressed;
- C. A list of remedial measures which can be voluntarily undertaken by Buyer or any other entities affecting the system to correct the situation. Remedial measures may include, inter alia, the following:
 - (1) Maximizing the balance of Capacity between segments of the Company's system by shifting inputs or receipts;
 - (2) Changing Receipt Points or Delivery Points;
 - (3) Switching to alternate fuels or other changes in usage;
 - (4) Buyer reliance on storage service or other services from other pipelines;
 - (5) Utilizing existing voluntary arrangements for diversions of Gas between Buyers and/or other Parties;
 - (6) Correction of Imbalances; and/or
 - (7) Performing any other voluntary action which would tend to alleviate or forestall the situation.



GENERAL TERMS AND CONDITIONS - continued

21. OPERATIONAL CONTROLS – continued

- D. Any other information, terms and/or conditions which the Company deems appropriate.

Upon issuance of an Operational Alert, the Company may also take such actions as are within its control and discretion to alleviate or forestall the situation, including invoking the provisions of Section 16, Limitations on Obligations, of these General Terms and Conditions. Buyers shall be notified of Operational Alerts via telephone and/or the Company's Interactive Website, and this shall constitute notice that issuance of an Operational Flow Order ("OFO") may be imminent.

21.2 Operational Flow Orders.

- A. In the event that, in the Company's judgment, the Operational Alert actions under Section 21.1, above, are not sufficient to alleviate conditions which threaten or could threaten the safe operations or system integrity, of the Company's system or to maintain operations required to provide efficient and reliable service, the Company shall have the right to issue Operational Flow Orders to Buyers if such action is required:

- (1) To alleviate conditions which in the Company's judgment threaten the integrity of the Company's system;
- (2) To maintain pipeline operations at the pressures required to provide efficient and reliable sales and transportation services;
- (3) To have adequate Gas supplies in the system to deliver on demand;
- (4) To correct imbalances;
- (5) To maintain service to all Buyers and for all services;
- (6) To maintain the system in balance for the foregoing purposes; and/or

GENERAL TERMS AND CONDITIONS - continued

21. OPERATIONAL CONTROLS – Continued

21.2 Operational Flow Orders - Continued

A. Continued

(7) In one of the following situations:

- a. In the event that receipts in a segment of the Company’s system exceed scheduled receipts so that high system pressures back off scheduled receipt quantities, the Company may issue an OFO to all Buyers in the affected segment of the system stating that a high pressure condition exists. All such Buyers will be required to review their Receipt Volumes at Receipt Points on the affected portion of the system. Those Buyers who are receiving more than their scheduled volumes, or who are otherwise responsible, in whole or in part, for the high pressure condition, will have four (4) hours in which to make needed adjustments, or be subject to the penalty specified in this section. An OFO issued pursuant to this paragraph will be canceled by the Company when the high pressure condition has been corrected and the system imbalances created by the high pressure condition have been reasonably resolved.
- b. If, in the Company’s judgment, impending operating conditions will cause the delivery pressure to one or more Buyers to drop to a level which could jeopardize system integrity, the Company may immediately issue an OFO pursuant to this paragraph requiring that deliveries under all Transportation Services be made at a uniform hourly flow rate effective three (3) hours after issuance of the OFO. Failure to comply with such order on a timely basis will subject non-complying Buyers to the penalty specified in this section. If only one segment of the Company’s system is affected by low pressure, the OFO shall be limited to that segment of the system. For the duration of the OFO, increases in scheduled delivery quantities within affected segments of the Company’s system will be made on a prospective basis only.



GENERAL TERMS AND CONDITIONS - continued

21. OPERATIONAL CONTROLS – Continued

21.2 Operational Flow Orders - Continued

A. Continued

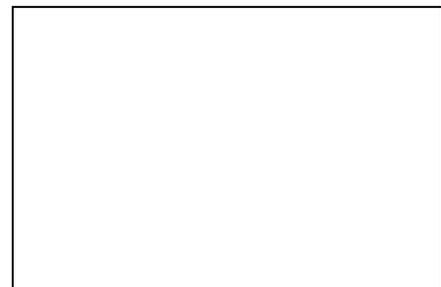
(7) In one of the following situations - continued:

- c. In the event there is a need for the Company to engage in routine and normal maintenance of the system, to undertake repairs and replacements of lines of pipe, to schedule Department of Transportation compliance activities, to install taps, to make pig runs, to test equipment, or to engage in similar actions affecting the Capacity of any portion of the system, the Company may issue an OFO(s) pursuant to this paragraph which will contain an estimate of the time, duration, and impact of the activity. This provision is in addition to Section 16, Limitations on Obligations, of the General Terms and Conditions of this Tariff as an event of force majeure may affect deliveries without triggering the need for an OFO. An order issued pursuant to this paragraph shall be canceled when such planned maintenance or other activities have been completed.
- d. The Company may, on a non-discriminatory basis, issue such other reasonable OFOs as may be required for the purposes set forth in this section in order to provide the services contemplated in this Tariff.

Before issuing an OFO, the Company will attempt to identify specific Buyers causing a problem and attempt to remedy those problems.

B. The Company will notify affected Buyers by telephone and through the Company’s interactive website at least twenty-four (24) hours prior to the implementation of an OFO; provided, however, that a shorter notice period may be given where action must be taken to protect the integrity of the system. Such notice shall include, but not be limited to:

- (1) Identification of the Parties subject to the OFO;
- (2) The time the OFO will become effective;
- (3) The estimated duration of the OFO;
- (4) The triggering tariff provision which is the basis for the OFO;



GENERAL TERMS AND CONDITIONS - continued

21. OPERATIONAL CONTROLS – Continued

21.2 Operational Flow Orders - Continued

B. Continued

- (5) Whether the Company is over- or under-delivered;
- (6) Whether actual net receipts need to be equal to or greater than actual deliveries, or actual deliveries need to be equal to or greater than actual net receipts. It is not the Company's responsibility to notify Buyer of actual receipts relative to actual deliveries. Rather, it is the Buyer's responsibility to obtain that information.
- (7) Whether authorized overruns are acceptable; and
- (8) A twenty-four (24) hour contact number for the Company during the duration of the OFO.

C. Upon issuing an OFO, the Company shall notify all affected Buyers by telephone and on the Company's interactive website. Buyers must notify the Company of the name and telephone number of a person who will be available on a twenty-four (24) hour basis to receive notice of the issuance of an OFO. The Company will give a twenty-four (24) hour phone number in the notice.

D. If an OFO is issued, the Company will direct one or more Buyers to adjust receipts and/or deliveries at specific point(s) on the Company's system. The Company reserves the right to request holders of firm Capacity under the Transportation Rate Schedules of this Tariff to use their Primary Receipt Point(s) or Primary Delivery Point(s) to maintain the integrity of the system.

GENERAL TERMS AND CONDITIONS - continued

21. OPERATIONAL CONTROLS – Continued

21.2 Operational Flow Orders - Continued

- E. On any Day that an Operational Flow Order is in effect, all quantities tendered on an individual Service Agreement basis to the Company by Buyer and/or taken by a Buyer on a daily basis in violation of the Company’s Operational Flow Orders shall constitute unauthorized receipts or deliveries for which a charge of \$25.00 per Mcf shall be assessed. With respect to quantities tendered or taken on a daily basis in violation of an OFO, the Buyer also shall be assessed a charge equal to the highest spot gas price listed in *Gas Daily’s* Daily Price Survey relative to Colorado Interstate Gas Company, Northwest Pipeline Corporation and Questar Pipeline Company, applicable to the “Rockies” (Rocky Mountain) region, plus the maximum rate for interruptible transportation service, including associated surcharges, under the applicable tariff of the upstream pipeline serving the Buyer, all as described in Section 5.5 of the Distribution Transportation Service Rate Schedule of this Tariff, for the Day that the unauthorized deliveries occurred; provided that said unauthorized deliveries shall be excluded from the determination of an offending Buyer’s Imbalance for the Monthly Billing Period. Buyers will be exempt from penalties and imbalances that result from complying with an OFO. Imbalances accrued during and in compliance with an OFO will be cashed out at 100% of the index price as noted above and such amount of imbalance will be excluded from the monthly cash out provisions. Upon an OFO becoming effective, as specified in the OFO or as provided in this section, Buyers, Transporting Pipelines, and other Parties shall be permitted the time stated in the OFO, or such lesser time as is required to protect the integrity of the Company’s system, to make adjustments in compliance with the OFO(s). If the Buyer, Transporting Pipeline, or other Party adjusts its tenders or takes within such notice period, then no charge, as provided for herein, shall be assessed.

- F. Compliance with OFOs and the other terms and conditions of this Tariff is essential to providing deliveries and services under all rate schedules. A failure by one or more Buyers to comply with an OFO may affect the Company’s ability to provide such deliveries and services. Buyers failing to comply with an OFO may be held accountable, either directly or as a third party defendant, for any damages so caused to other Buyers and/or to the Company. In such event, and in addition to other remedies available under this Tariff and applicable law, the Company shall have no liability or responsibility for its inability to provide services under the affected rate schedules or Service Agreements and will be indemnified and held harmless by the offending Buyer(s) against any claim relating to such failure to provide deliveries and services. Payment of any penalties pursuant to this Tariff for such non-compliance shall not be construed in any way to entitle Buyer to engage in such actions, nor shall such payments be considered as relieving such Buyer of its responsibilities under this section.

