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April 22, 2009

FIFTH AMENDED ADVICE LETTER NO. 223

Mr. Douglas Dean, Director  
The Public Utilities Commission  
of the State of Colorado  
1560 Broadway, Suite 250  
Denver, CO 80202

Dear Mr. Dean:

In compliance with the requirements of the Public Utility Law of Colorado, SourceGas Distribution LLC ("SourceGas Distribution") herewith submits for filing with the Commission the following sheets revising its Colorado Gas Tariff Colorado P.U.C. Volume No. 7:

Colorado P.U.C. No. 7

<u>Colorado P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancels Colorado P.U.C. Sheet No.</u>
Original Sheet No. 87B	Distribution Transportation Service Rate Schedule	
1 <sup>st</sup> Revised Sheet No. 94	Distribution Transportation Service Rate Schedule	Original Sheet No. 94
1 <sup>st</sup> Revised Sheet No. 119	General Terms and Conditions	Original Sheet No. 119

By its Advice Letter No. 223, SourceGas Distribution proposed that the tariff sheets submitted with that filing would become effective on October 1, 2007, on more than thirty days' notice to the Commission and the public. By its Amended Advice Letter No. 223, SourceGas Distribution extended the effective date of the tariff sheets attached to the Advice Letter to April 1, 2008. By its Second Amended Advice Letter No. 223, SourceGas Distribution further extended the effective date of the tariff sheets attached to the Advice Letter to June 1, 2008. By its Third Amended Advice Letter No. 223, SourceGas Distribution further extended the effective date of the tariff sheets attached to the Advice Letter to November 1, 2008. By its Fourth Amended Advice Letter No. 223, SourceGas Distribution further extended the effective date of the tariff

sheets attached to the Advice Letter to May 1, 2009. By this filing, SourceGas Distribution proposes to further extend the effective date of the tariff sheets attached hereto to July 1, 2009.

SourceGas Distribution is working with AMGas Transfer Corp., Seminole Energy Services LLC, other shippers and Commission Staff to resolve issues raised by the tariff revisions proposed in Advice Letter No. 223. The parties involved in negotiating a resolution of this advice letter filing either support or do not oppose the proposed extension. Despite the time required to address the matters raised in this Advice Letter, the parties are making progress towards a negotiated resolution. SourceGas Distribution believes that the ongoing informal approach being followed outside the context of a contested proceeding is the best means of reaching a resolution of the pertinent matters. SourceGas Distribution therefore is proposing to extend the effective date of the tariff revisions to July 1, 2009 to permit interested parties to continue negotiating outside the context of a contested proceeding.

No changes to Appendices A and B to Advice Letter No. 223 are necessitated by this Fifth Amended Advice Letter No. 223. Please contact James Elliott at 303-243-3497 with any questions about this Advice Letter.

All communications concerning this filing should be addressed to:

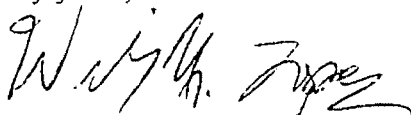
Bentley W. Breland  
Senior Vice President and Chief Financial Officer  
SourceGas LLC  
370 Van Gordon Street, Suite 4000  
Lakewood, CO 80228  
(303) 243-3450  
and

Eric Nelsen, #40800  
Deputy General Counsel  
SourceGas LLC  
370 Van Gordon Street, Suite 4000  
Lakewood, CO 80228  
(303) 243-3420

William H. Meckling  
Director, Regulatory Affairs  
SourceGas LLC  
370 Van Gordon Street, Suite 4000  
Lakewood, CO 80228  
(303) 243-3495

William M. Lopez, #16453  
Assistant General Counsel  
SourceGas LLC  
370 Van Gordon Street, Suite 4000  
Lakewood, CO 80228  
(303) 243-3575

Very truly yours,



William M. Lopez  
Assistant General Counsel

cc: Staff of the Public Utilities Commission  
Colorado Office of Consumer Counsel

Seminole Energy Services LLC  
AMGas Transfer Corp.  
Tiger Natural Gas  
Energy Options  
SourceGas Energy Services Inc.

SourceGas Distribution LLC

Colo. PUC No. 7  
Original Sheet No. 87B

DISTRIBUTION TRANSPORTATION SERVICE RATE SCHEDULE - continued

3.6 DETERMINATIONS OF MAXIMUM DAILY SERVICE QUANTITY

The Company shall calculate the MDSQ applicable to a Distribution Transportation Service Agreement based upon the design day demand requirements of the Buyer at each Delivery Point specified in said Distribution Transportation Service Agreement, after accounting for the applicable Fuel Retention Quantity. The MDRQs and the MDDQs, after accounting for the Fuel Retention Quantity, specified in said Distribution Transportation Service Agreement, shall equate to the MDSQ calculated pursuant to this paragraph. For the purposes of this paragraph, "design day" means the Day upon which deliveries through the applicable Delivery Point are anticipated to be at their highest level in light of extreme weather conditions and other relevant factors. To the extent reasonably possible, said calculations shall be made based upon historical consumption data specific to the Delivery Point and shall utilize statistical trending methodologies. The MDSQ shall be stated in the Distribution Transportation Service Agreement.

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Advice Letter No. 223 Fifth Amended

Bentley W. Breland  
Issuing Officer

Issue Date: April 22, 2009

Decision or  
Authority No.

Sr. Vice President  
Title

Effective Date: July 1, 2009

SourceGas Distribution LLC

Colo. PUC No. 7  
First Revised Sheet No. 94  
Cancels Original Sheet No. 94

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. CONSENT TO RELEASE OF MDSQ AND MDDQ INFORMATION TO UPSTREAM TRANSPORTING PIPELINE (WESTERN SLOPE DIVISION ONLY)

By executing a Distribution Transportation Service Agreement applicable to service rendered on the Company's Western Slope system, the Buyer consents to the release by the Company to the upstream transporting pipeline delivering the Buyer's gas to the Receipt Point(s) specified in said agreement, the following information: (a) the Buyer's overall MDSQ under the Service Agreement; (b) the Buyer's MDRQ applicable to each Receipt Point(s) specified in said Distribution Transportation Service Agreement, (c) the MDDQ applicable to each Delivery Point(s) specified in said Distribution Transportation Service Agreement, (d) the volumetric data utilized in calculating said MDSQ, MDRQ and MDDQ quantities, and (3) the physical location of each Delivery Point specified in the Distribution Transportation Service Agreement.

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 Service Rate Schedules, the provisions of that Rate Schedule shall govern.

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Sr. Vice President  
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SourceGas Distribution LLC

Colo. PUC No. 7  
First Revised Sheet No. 119  
Cancels Original Sheet No. 119

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 delivery 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. RELEASES OF CAPACITY TO BUYERS CONVERTING FROM SALES SERVICE TO TRANSPORTATION SERVICE, OR TO THEIR DESIGNATED AGENTS (WESTERN SLOPE DIVISION ONLY)

The Company shall release upstream pipeline capacity to Buyers converting from sales service to transportation service, or to their designated agents, and shall accept returns of upstream pipeline capacity from Buyers converting from transportation service to sales service, in accordance with the terms and conditions of Section 22 of the General Terms and Conditions as set forth from time to time in the Colorado tariff of Rocky Mountain Natural Gas LLC.

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.

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