



P.O. Box 270868 • Littleton, Colorado 80127 • Phone (303) 979-7680 • Fax (720) 981-2129 • www.ColoradoNaturalGas.com

March 5, 2013
Advice No. 63 - Gas

Public Utilities Commission of the State of Colorado
1560 Broadway, Suite 250
Denver, Colorado 80202

The accompanying tariff sheets issued by Colorado Natural Gas, Inc. ("CNG") are sent to you for filing in accordance with the requirements of the Public Utilities Law:

COLORADO P.U.C. NO. 2 – GAS

The proposed tariff replaces in their entirety, Colorado Natural Gas P.U.C. No. 1 - GAS and Eastern Colorado Utility P.U.C. No. 1 - GAS.

In addition to the eliminations and replacement cited above, the principal proposed changes to the gas rate schedules are: (1) to revise the service & facility charges to retain historical percentage relationships of the total revenue requirement and thereby better match the recovery of the fixed costs associated with its natural gas delivery system with the incurrence of those costs; and (2) to revise the Distribution Charge. The proposed revisions will apply to gas sales service under CNG's Residential Gas Service (Schedules RG-B, RG-PW, RG-C), and Commercial Gas Service (Schedules CG-B, CG-PW, CG-C) applicable to service rendered within the Company's Bailey, Pueblo West and Cripple Creek rate areas. Similar revisions are proposed for the Eastern Colorado rate area. In addition, for the Eastern Colorado rate area, the basis upon which natural gas is measured is proposed to change from volumetric to heating value determinants.

CNG also proposes to consolidate its three existing service areas into a single service area referred to as the Mountain System for purposes of Distribution and Service & Facility charge rate determinations. As a result, if approved, the above-referenced rate schedules will be replaced by rate schedules applicable to the entire system.

For its Mountain System, CNG is proposing to increase its annual gas utility base rate revenues by approximately \$4.34 million, representing a 33.52% increase over current base rate revenues and a 22.01% increase over jurisdictional revenues, which includes gas costs of \$6.83 million. CNG's total revenue requirement is \$17.36 million for the Mountain System.

For its Eastern Colorado System, CNG is proposing to increase its gas annual utility base rate revenues by approximately \$0.59 million, representing a 40.64% percent increase over current



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base rate revenues and a 22.95% increase over jurisdictional revenues, which includes gas costs of \$1.18 million. CNG's total revenue requirement is \$2.04 million for the Eastern Colorado System.

CNG's proposed base rates are intended to recover 100% of the annual distribution costs to serve gas customers, based upon total revenue requirements as discussed above, and developed based on a test year of the 12 months ending December 31, 2012, as adjusted. The base rates do not include the costs of the gas commodity or upstream pipeline service costs which CNG recovers from customers through its Gas Cost Adjustment.

Contemporaneously filed with this advice letter are testimony and exhibits, which both explain and justify the Company's proposals herein to revise its base rates.

The effect of this filing on the Company's annual base rate gas revenues for its Mountain and Eastern Colorado Systems is an increase of \$4.93 million based on the twelve months ended December 31, 2012, as adjusted. The proposed filing would allow the Company an opportunity to earn a 12.00 percent return on equity and an 8.18 percent overall return on rate base. CNG believes a 12.00 percent return to common equity and an 8.18 percent return on rate base are justified.

Customers of the Company will be affected as shown below. The current average monthly bills include the 2012 Gas Cost Adjustment (GCA) amounts.

IMPACT OF NEW RATES

Rate Schedule	Average Monthly Usage therms	Current Average Monthly Bill	Proposed Average Monthly Bill	Monthly Change	Percent Rate Impact
RG-B	72	\$122.75	\$148.87	\$26.11	21.27%
CG-B	411	\$657.55	\$779.33	\$121.79	18.52%
RG-PW	44	\$80.85	\$100.24	\$19.39	23.99%
CG-PW	861	\$1,358.60	\$1,605.66	\$247.06	18.18%
RG-C	54	\$94.10	\$119.06	\$24.96	26.52%
CG-C	549	\$859.32	\$1,052.80	\$193.48	22.52%
RG-EC	68	\$56.09	\$67.72	\$11.63	20.73%
CG-EC	127	\$99.19	\$128.60	\$29.42	29.66%
LC-EC	1233	\$889.99	\$1,025.41	\$135.41	15.22%



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Public Utilities Commission of the State of Colorado

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Notice of this filing will be published in the Denver Post on or about March 10, 2013. Customers of the Company receiving gas service as of the date of this filing will also be notified of this filing by means of an inclusion in the April gas bill. A copy of the official notice is attached hereto as Appendix A. It is requested that the changed tariffs accompanying this advice letter become effective on April 4, 2013. Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to:

Timothy R. Johnston,
Colorado Natural Gas, Inc.
7810 Shaffer Parkway
Suite 120
Littleton, Colorado 80127
Telephone: (720) 981-2112
Fax: (303) 979-7892

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Colorado Natural Gas, Inc.
7810 Shaffer Parkway
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And

Mark Davidson, Esq.
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Greenwood Village, CO 80111
Tel. 303-290-1600
Fax 303-290-1606

By:  _____

Tim Johnston, P.E., Executive Vice President



P.O. Box 270868 • Littleton, Colorado 80127 • Phone (303) 979-7680 • Fax (720) 981-2129 • www.ColoradoNaturalGas.com

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of March, 2013, the foregoing document entitled **VERIFIED APPLICATION** was filed through the Colorado Public Utilities Commission E-filing system and a copy was emailed to each of the following:

Doug Dean, Director,
Colorado Public Utilities Commission
1560 Broadway, Suite 250
Denver, CO 80202
Doug.dean@state.co.us

Stephen W. Southwick
Office of Consumer Counsel
1525 Sherman Street, 7th Floor
Denver, CO 80203
Stephen.southwick@state.co.us

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Office of Consumer Counsel
1560 Broadway, Suite 200
Denver, CO 80202
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Jacob Schlesinger
Office of Consumer Counsel
1525 Sherman Street, 7th Floor
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Jacob.schlesinger@state.co.us

Erin Campbell

**NOTICE OF CHANGE IN THE GAS RATES OF COLORADO NATURAL GAS, INC.
7810 Shaffer Parkway Littleton, CO 80127**

March 5, 2013

You are hereby notified that Colorado Natural Gas, Inc. has filed with the Public Utilities Commission of the State of Colorado to eliminate its Colorado P.U.C. No. 1 Gas Tariff and Eastern Colorado Utility Company Colorado P.U.C. No. 1 Gas Tariff, replacing those tariffs with a new Colorado Natural Gas, Inc. Colorado P.U.C. No 2 Gas Tariff. The replacement tariff will revise gas base rates effective April 4, 2013, unless suspended by the Public Utilities Commission. These revisions result in an increase to residential and commercial sales service customers.

The proposed revisions will apply to gas sales services under the Company's Residential Gas Service (Schedule RG-B, RG-PW and RG-C) and Commercial Gas Service (Schedule CG-B, CG-PW and CG-C) for its Bailey, Pueblo West and Cripple Creek Divisions. Proposed revisions will also apply to the former Eastern Colorado Utility's rate schedules for residential, commercial, and large commercial customers.

CNG's proposal to revise its gas base rates will increase CNG's projected annual gas service revenues for its Bailey, Pueblo West and Cripple Creek rate areas by approximately \$4.34 million, or about 22.01%, on jurisdictional gas revenues of \$24.20 million.

CNG's proposal to revise its gas base rates will increase CNG's projected annual gas service revenues for its Eastern Colorado rate area by approximately \$0.59 million, or about 22.95% percent, on jurisdictional gas revenues of \$3.22 million.

The Company's proposed base rates are intended to recover the annual distribution costs to serve gas customers based upon revenue requirements for the test year ending December 31, 2012, as adjusted. The base rates do not include the costs of natural gas supplies which are recovered through the Gas Cost Adjustment.

The Company's proposed rate design increases the Distribution Charge on each therm of sales and increases the existing monthly Service and Facility Charge for residential and commercial customer classes. The proposed rate design for the Company's Eastern Colorado retail gas service will eliminate the current CAPEX fee and replace volumetric measurement for billing purposes with heating value.

A summary of the overall effects of the proposed revisions to the Company's base rates for gas service is as follows:

CURRENT AND PROPOSED MONTHLY RATES

Rate Schedule	CURRENT Service And Facility Charge	CURRENT Distribution Charge Per therm	PROPOSED Service And Facility Charge	PROPOSED Distribution Charge per therm
RG-B	\$ 12.50	\$ 0.7872	\$ 20.00	\$ 1.0036

CG-B	\$ 25.00	\$ 0.7872	\$ 40.00	\$ 1.0036
RG-PW	\$ 12.50	\$ 0.7790	\$ 20.00	\$ 1.0036
CG-PW	\$ 25.00	\$ 0.7790	\$ 40.00	\$ 1.0036
RG-C	\$ 12.50	\$ 0.7325	\$ 20.00	\$ 1.0036
CG-C	\$ 25.00	\$ 0.7325	\$ 40.00	\$ 1.0036
RG-EC	\$8.50	\$ 0.2750*	\$13.50	\$0.3861**
CG-EC	\$10.00	\$ 0.2750*	\$27.00	\$0.3861**
LC-EC	\$25.00	\$ 0.2750*	\$40.00	\$0.3861**

* distribution charge based on Ccf at local pressure base and includes distribution rate of \$0.158 and CAPEX fee of \$0.117.

** proposed rate per therm.

IMPACT OF NEW RATES

Rate Class	Current** Average Monthly Bill	Proposed** Average Monthly Bill	Monthly Change	Percent Rate Impact
RG-B	\$ 122.75	\$ 148.87	\$ 26.11	21.27%
CG-B	\$ 657.55	\$ 779.33	\$ 121.79	18.52%
RG-PW	\$ 80.85	\$ 100.24	\$ 19.39	23.99%
CG-PW	\$ 1,358.60	\$ 1,605.66	\$ 247.06	18.18%
RG-C	\$ 94.10	\$ 119.06	\$ 24.96	26.52%
CG-C	\$ 859.32	\$ 1,052.80	\$ 193.48	22.52%
RG-EC	\$56.09	\$67.72	\$11.63	20.73%
CG-EC	\$99.19	\$128.60	\$29.42	29.66%
LC-EC	\$889.99	\$1,025.41	\$135.41	15.22%

** Current and proposed bill impacts include Gas Cost Adjustment amounts, effective for April 2013.

The proposed and present tariffs are available for examination and explanation at the business office of Colorado Natural Gas located at 7810 Shaffer Parkway, Littleton, Colorado 80127 and at the Public

Utilities Commission of the State of Colorado, located at 1560 Broadway, Suite 250, Denver, Colorado 80202.

Anyone who desires may file written objection. The filing of a written objection by itself will not allow you to participate as a party in any proceeding on the proposed rate changes. If you wish to participate as a party in any proceeding established in these matters, you must file written intervention documents under applicable rules.

Anyone who desires to file written objection to the proposed action, shall file it with the Colorado Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado, 80202, at least 10 days before April 4, 2013.

The Public Utilities Commission may hold a hearing to determine what rates, rules and regulations will be authorized. If a hearing is held, the Commission may suspend the proposed rates, rules or regulations.

The rates, rules and regulations ultimately authorized may or may not be the same as those proposed and may include rates higher or lower than those proposed or currently in effect.

Anyone who desires to receive notice of any hearing shall file a written request for notice with the Public Utilities Commission, at the above address, at least 10 days before the proposed effective date of April 4, 2013. If a hearing is held, any member of the public may attend and may make a statement under oath about the proposed changes in rates, whether or not he or she has filed an objection or intervention.

Timothy R. Johnston
Executive Vice President.

COLORADO NATURAL GAS, INC.
P.O. Box 270868
Littleton, CO 80127

CO PUC No. 2

Original _____
Cancels _____

Sheet No. 1
Sheet No. _____

SCHEDULE OF RATES
FOR
NATURAL GAS SERVICE AVAILABLE
IN THE ENTIRE TERRITORY SERVED
BY
COLORADO NATURAL GAS, INC.

Advice Letter Number 63

Officer, Title

Issue Date

7810 Shaffer Parkway, #120, Littleton, CO 80127

Decision Number _____

Effective Date

COLORADO NATURAL GAS, INC.

P.O. Box 270868

Littleton, CO 80127

CO PUC No. 2

Original _____
Cancels _____

Sheet No. 2
Sheet No. _____

NOTICE

This Tariff is the second tariff for
Colorado Natural Gas LLC

Advice Letter Number 63

Issue Date

Officer, Title

7810 Shaffer Parkway, #120, Littleton, CO 80127

Decision Number _____

Effective Date

COLORADO NATURAL GAS, INC.
P.O. Box 270868
Littleton, CO 80127

CO PUC No. 2

Original _____ Sheet No. 3
Cancels _____ Sheet No. _____

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7810 Shaffer Parkway, #120, Littleton, CO 80127

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COLORADO NATURAL GAS, INC.
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 Littleton, CO 80127

CO PUC No. 2

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Key to Symbols of Revised Tariff Sheets

- I -- Indicates an increase
- R -- Indicates a reduction
- T -- Indicates a change in text but no change in rate
- N -- Indicates new rate or regulation
- C -- Indicates changed regulation
- S -- Indicates reissued matter (from another sheet)
- D -- Indicates discontinued rate or regulation
- A -- Indicates adjustment for roll-in of portions of the GCA
- Sub -- Indicates substitute

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COLORADO NATURAL GAS, INC.
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CO PUC No. 2

Original _____ Sheet No. 5
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MOUNTAIN DIVISION TERRITORY SERVED

Natural Gas Service is supplied in the following territory and in the cities, towns, and communities which are contained within this territory. For rates available see the applicable rate schedules.

FORMER BAILEY DIVISION

Township	Range	Sections
6 South	73 West	S 1/2 of 22, N 1/2 of 26, all of 23, 24, 25, 35, 36
6 South	72 West	S 1/2 of 19, 20, all of 1, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36
6 South	71 West	S 1/2 of 4, 33, 34, 35, SE 1/4 of 32, all of 5, 6, 7, 8, 9, 15, 16, 17, 18, 19, 25, 30, 31, 36, and portions of the N 1/2 of Sections 20 and 21 north of the following line:

Beginning at the east 1/4 corner of Section 21, thence west along the 1/2 section line a distance of approximately 2400 feet to the intersection point of the 1/2 section line and the centerline of Conifer Mountain Drive, thence south and west along said centerline of Conifer Mountain Drive approximately 500 feet to a point defined as the intersection of said centerline of Conifer Mountain Drive and a line extending into the road from the property line between Lot 24 and Lot 25 of Conifer Mountain Unit 6, thence N53°02'14"W 634.15 feet, thence N0°24'31"W 528.45 feet, thence N27°21'00"E 326.5 feet, thence N67°51'52"W 636.94 feet, thence N55°31'49"W 587.11 feet, thence S54°09'13"W 283 feet, thence N39°13'14"W 25 feet, thence S49°30'29"W 428.46 feet, thence S57°41'42"W 363.87 feet to the centerline of Timothy's Drive, thence approximately 400 feet north along said centerline of Timothy's Drive to the intersection with the centerline of Bea's Drive, thence northwest approximately 245 feet along the centerline of Bea's Drive to a point defined as the intersection of said centerline of Bea's Drive and a line extending into the road from the property line between Lot 30 and Lot 31 of Conifer Mountain Unit 5, thence S37°09'00"W 455.45 feet, thence S50°02'33"E 91.35 feet, thence S62°51'01"W 438.29 feet, thence N38°29'07"W 700.72 feet, thence S49°17'21"W 335 feet, thence N43°21'48"W 247.59 feet, thence S57°46'50"W 548.07 feet to the centerline of Conifer Mountain Road, thence northwest along said centerline of Conifer Mountain Road approximately 175 feet to a point defined as the intersection of said centerline of Conifer Mountain Road and a line extending into the road from the property line between Lot 6 and Lot 7 of Conifer Mountain Unit 8, thence S86°59'12"W 473.65 feet, thence S53°38'48"W 139.54 feet, thence S22°57'26"E 116.76 feet, thence N77°15'24"W 454.36 feet, thence N49°35'22"W 333.09 feet to a point along the west line of Section 20.

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7810 Shaffer Parkway, #120, Littleton, CO 80127

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COLORADO NATURAL GAS, INC.
 P.O. Box 270868
 Littleton, CO 80127

CO PUC No. 2

Original _____
 Cancels _____

Sheet No. 5A
 Sheet No. _____

MOUNTAIN DIVISION TERRITORY SERVED

Natural Gas Service is supplied in the following territory and in the cities, towns, and communities which are contained within this territory. For rates available see the applicable rate schedules.

FORMER BAILEY DIVISION – CONT'D

<u>Township</u>	<u>Range</u>	<u>Sections</u>
7 South	73 West	All of 21,22,25,26,27
7 South	72 West	All of 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,20,21,22,23,24,25,26,27,28,29,30
5 South	70 West	S1/2 29, S1/2, NE1/4 28, all of 27,32,33,34
6 South	70 West	N 1/2 and SE 1/4 of 5, all of 3,4,30,31
7 South	70 West	All of 6
5 South	71 West	SW ¼ of 29, w 1/2 of 32, all of 30,31
7 South	71 West	E ½ of 5, all of 1,2,3,4
2 South	72 West	All of 19,20,29,30,31,32
5 South	72 West	All of 25,36
2 South	73 West	All of 25,36
7 South	78 West	All of 21,22,23,24,25,26,27,28,33,34,35,36
7 South	77 West	All of 19,20,29,30,31,32
8 South	78 West	All of 1,2,3,4,9,10,11,12,13,14,15,16,21,22,23,24,25,26,27,28,33,34,35,36
8 South	77 West	All of 5,6,7,8,17,18,19,20,29,30,31,32
9 South	78 West	All of 1,2,3,4,9,10,11,12,13,14,15,16,21,22,23,24,25,26,27,28,33,34,35,36
9 South	77 West	All of 3,4,5,6,7,8,9,10,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36
10 South	78 West	All of 1,2,3,4,9,10,11,12,13,14,15,16,21,22,23,24
10 South	77 West	All of 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24

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COLORADO NATURAL GAS, INC.
P.O. Box 270868
Littleton, CO 80127

CO PUC No. 2

Original _____
Cancels _____

Sheet No. 5B
Sheet No. _____

MOUNTAIN DIVISION TERRITORY SERVED

Natural Gas Service is supplied in the following territory and in the cities, towns, and communities which are contained within this territory. For rates available see the applicable rate schedules.

FORMER BAILEY DIVISION – CONT'D

This territory includes the following communities:

Mountain View Lakes, Elk Falls Ranch, Woodside, Highland Pines, Chilton Manor, Pine Junction, Chilton's Subdivision, Jim's Subdivision, Linn's Subdivision, Wandcrest Park, McKinley Subdivision, Jim Holt Subdivision, Will O Wisp, Roland Valley, Burland Ranchettes, Park 80 West, Burland Meadows, Trails West, Bailey Mountain, Double S Ranchettes, Arcadia, Ravenswood Subdivision, Hill and Dale Subdivision, Mill Iron D, Friendship Ranch, Deer Creek Valley Ranchos, Deer Creek Estates, Elk Horn Acres, Dream Lake Heights, Bakers Acres, KZ Ranch Estates, Highland Park, Royal Ranch, Charmatella Park, Elk Creek, Harris Park, Double C Acres, Horseshoe Park, Bailey Estates, Parkview Subdivision, Bailey View Subdivision, Bailey, Glen-Isle, Brookside Subdivision, Fitzsimmons Subdivision, Shawnee,

Homestead, Golden Meadows, The Bluffs, Halm,

Aspen Springs, Forest Hills, Chalet Park, Lakeside, Bun Gun Zing Wak, Colorado Sierra and Missouri Lakes subdivisions,
Conifer Mountain, Evergreen Meadows, Conifer Meadows, Black Mountain Estates, Brook Forest, Evergreen Hills, Buffalo Park, Piano Meadows, Rampart Highlands, Shiloh, Wamblee Valley, Glen Elk and Alpine Hills subdivisions.

Fairplay, Alma, Blue River

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 P.O. Box 270868
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CO PUC No. 2

Original _____
 Cancels _____

Sheet No. 5C
 Sheet No. _____

MOUNTAIN DIVISION TERRITORY SERVED

Natural Gas Service is supplied in the following territory and in the cities, towns, and communities which are contained within this territory. For rates available see the applicable rate schedules.

FORMER CRIPPLE CREEK DIVISION

<u>Township</u>	<u>Range</u>	<u>Sections</u>
14 South	70 West	All of 1, 12, 13, 22, 23, 24, 25, 26, 27, 28, 34, 35, 36
14 South	69 West	All of 6, 7, 18, 19, 30
15 South	70 West	All of 1, 2, 3, 11, 12, 13, 14, 23, 24, 25, 36
15 South	69 West	All of 18, 19, 20, 28, 29, 30, 31, 32
13 South	70 West	N1/2 of 14, SW1/4 of 12, all of 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 15, 16, 17
13 South	71 West	All of 1, 12
12 South	70 West	All of 266, 27, 28, 33, 34, 35
12 South	69 West	All of 17, 18, 19, 20, 21

This territory includes the following communities:

Cripple Creek *, Victor *, Midland, Cripple Creek Mountain Estates, Sherwood Forest Estates, Whispering Pines, Trout Haven, Arabian Acres, Palmer Village, Twin Rock, Mountain View, Druid Hills, Crystal Peaks Estates, Florissant Estates, the Town of Florissant, Tranquil Acres, Shadow Lake Estates, Spring Valley, Aspen Moors, Skycrest, Aspen Village, Broken Wheel Village, and Highland Lakes

Incorporated cities and towns are designated by a *

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 Littleton, CO 80127

CO PUC No. 2

Original _____
 Cancels _____

Sheet No. 6
 Sheet No. _____

MOUNTAIN DIVISION TERRITORY SERVED

Natural Gas Service is supplied in the following territory and in the cities, towns, and communities which are contained within this territory. For rates available see the applicable rate schedules.

FORMER PUEBLO WEST DIVISION

Colorado City and Rye Area:

Township	Range	Sections
22 South	64 West	All of 7, 18
24 South	65 West	All of 9, 10, 11, 12, 13, 14, 15, 16, 20, 21, 22, 28, 29, 31, 32, 33, 34
23 South	65 West	All of 5, 6, 7, 18
23 South	66 West	All of 1, 12, 13, 14, 23, 24, 25, 26, 27, 34, 35
24 South	66 West	All of 2, 3, 4, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 29, 30
24 South	67 West	All of 12, 13, 14, 15, 19, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36
24 South	68 West	All of 23, 24, 25, 26, 35, 36
25 South	67 West	All of 2, 3, 4, 5, 6, 7, 10
25 South	68 West	All of 1

This territory includes the following communities:

Colorado City, Graneros and Green Meadows Park subdivisions, and the incorporated Town of Rye, Colorado.

Pueblo West Area:

Township	Range	Sections
19 South	66 West	Parts of 31, 32, 33
20 South	66 West	Parts of 4, 8, 9, 16, 17, 18, 19, 20, 21
20 South	66 West	All of 5, 6, 7
20 South	67 West	All of 1, 2, 11, 12
20 South	67 West	Parts of 13, 14
19 South	67 West	Parts of 35, 36

This territory is further described as: Commencing at the NE corner of LOT 13 BLK 10 TR 308 PUEBLO WEST located in T2OS R66W Pueblo County, CO; thence in a southerly direction to the SE corner of LOT 10 BLK 12 TR 308 PUEBLO WEST; thence due south to the Northerly

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CO PUC No. 2

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Cancels _____

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FORMER PUEBLO WEST DIVISION – CONT'D

Boundary of the following described Lot, N 1/2 NE 1/4 SW 1/4 4-20-66 and the S 1/2 S 1/2 SE 1/4 NW 1/4 4-20-66; Thence in a westerly direction to the Eastern Property Line of LOT 3 BLK 13 TR 308 PUEBLO WEST; Thence in a in a westerly direction to the EAST property line of LOT 10 BLK 1 TR 308 PUEBLO WEST; thence in a southerly direction along the western ROW of Rolling Prairie Dr. to the SE corner of LOT 12 BLK 1 TR 308 PUEBLO WEST; thence in a southwesterly direction to the NE corner of LOT 10 BLK 11 TR 307 PUEBLO WEST; thence in a southwesterly direction to the NE corner of LOT 9 BLK 11 TR 307 PUEBLO WEST; thence in a southerly direction to the SE corner of LOT 3 BLK 11 TR 307 PUEBLO WEST; thence in a southwesterly direction to the NE corner of LOT 2 BLK 11 TR 307 PUEBLO WEST ; thence south to the SE corner of LOT 8 BLK 10 TR 307 PUEBLO WEST; thence in a westerly direction to the EAST corner of LOT 6 BLK 10 TR 307 PUEBLO WEST; thence in a southwesterly direction to the southern corner of LOT 14 BLK 9 TR 307 PUEBLO WEST; thence in a southeasterly direction to the NW corner of LOT 11 BLK 9 TR 307 PUEBLO WEST; thence in an easterly direction to the NE corner of LOT 11 BLK 3 TR 307 PUEBLO WEST; thence in a north direction to the NW corner of the following described LOT, S2 SE4 NW4; N 35A OF NE4 SW4; S 5A OF NE4 SW4 9-20-66; thence in an easterly direction to the NE corner of the following described LOT, S2 SE4 NW4; N 35A N OF NE4 SW4; S 5A OF NE4 SW4 9-20-66; thence in a southerly direction to the SE corner of LOT 22 BLK 16 TR 305 PUEBLO WEST; thence in a northwesterly direction to the SW corner of LOT 13 BLK 16 TR 305 PUEBLO WEST; thence in a northwesterly direction to the NW corner of LOT 13 BLK 16 TR 305 PUEBLO WEST; thence in a northeasterly direction to the SE corner of LOT 14 BLK 16 TR 305 PUEBLO WEST; thence in a north-northwesterly direction to the NE corner of LOT 10 BLK 17 TR 305 PUEBLO WEST; thence in a northerly direction to the SE corner of LOT 20 BLK 17 TR 305 PUEBLO WEST; thence in a westerly direction to the SW corner of LOT 23 BLK 17 TR 305 PUEBLO WEST; thence in a west-northwesterly direction to the SW corner of LOT 24 BLK 17 TR 305 PUEBLO WEST;

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FORMER PUEBLO WEST DIVISION – CONT'D

thence in a northwesterly direction to the SW corner of LOT 25 BLK 17 TR 305 PUEBLO WEST; thence in a westerly direction to the SE corner of LOT 5 BLK 18 TR 305 PUEBLO WEST; thence in a westerly direction to the SW corner of LOT 1 BLK 18 TR 305 PUEBLO WEST; thence in a southwesterly direction to the SE corner of LOT 17 BLK 8 TR 312 PUEBLO WEST; thence west to the SW corner of LOT 7 BLK 8 TR 312 PUEBLO WEST; thence in a southerly direction to the NW corner of LOT 14 BLK 2 TR 303 PUEBLO WEST; thence in a northwesterly direction to the N corner of LOT 27 BLK 2 TR 303 PUEBLO WEST; thence in a southwesterly direction to the W corner of LOT 29 BLK 2 TR 303 PUEBLO WEST; thence in a westerly direction to the NW corner of LOT 30 BLK 2 TR 303 PUEBLO WEST; thence in a southeasterly direction to the NW corner of LOT 16 BLK 07 TR 303 PUEBLO WEST; thence in a northeasterly direction to the SW corner of LOT 21 BLK 7 TR 303 PUEBLO WEST; thence in a northeasterly direction to the SW corner of LOT 2 BLK 7 TR 303 PUEBLO WEST; thence in an easterly direction to the NE corner of LOT 7 BLK 16 TR 303 PUEBLO WEST; thence in a northerly direction to the southerly PROPERTY LINE of LOT 6 BLK 17 TR 303 PUEBLO WEST; THENCE IN A SOUTHWESTERLY DIRECTION TO THE SW CORNER OF LOT 7 BLK 17 TR 303 PUEBLO WEST; thence in a southeasterly direction to the SW corner of LOT 1 BLK 21 TR 303 PUEBLO WEST; thence in a southeasterly direction along the southwesterly ROW of McCulloch Blvd to the NW corner of LOT 1 BLK 1 TR 359 PUEBLO WEST;; thence along the southerly PROPERTY LINES OF , LOT 1 BLK 1 TR 359 PUEBLO WEST , LOT 2 BLK 1 TR 359 PUEBLO WEST , LOT 1 BLK 2 TR 359 PUEBLO WEST , LOT 2 BLK 2 TR 359 PUEBLO WEST, LOT 3 BLK 2 TR 359 PUEBLO WEST , LOT 4 BLK 2 TR 359 PUEBLO WEST , LOT 5 BLK 2 TR 359 PUEBLO WEST, LOT 5 BLK 3 TR 359 PUEBLO WEST, LOT 6 BLK 3 TR 359 PUEBLO WEST, LOT 7 BLK 3 TR 359 PUEBLO WEST, LOT 8 BLK 3 TR 359 PUEBLO WEST, LOT 9 BLK 3 TR 359 PUEBLO WEST, to the SE corner of LOT 10 BLK 3 TR 359 PUEBLO WEST;

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FORMER PUEBLO WEST DIVISION – CONT'D

thence in a southeasterly direction to the NE corner of LOT 11 BLK 3 TR 359 PUEBLO WEST; thence in a northeasterly direction to the NW corner of LOT 27 BLK 1 TR 360 PUEBLO WEST; thence southeasterly to the NE corner of LOT 27 BLK 1 TR 360 PUEBLO WEST; thence easterly to the NE corner of LOT 6 BLK 1 TR 360 PUEBLO WEST; ; thence southerly along the eastern PROPERTY LINE of , LOT 6 BLK 1 TR 360 PUEBLO WEST, LOT 7 BLK 1 TR 360 PUEBLO WEST, LOT 8 BLK 1 TR 360 PUEBLO WEST, LOT 9 BLK 1 TR 360 PUEBLO WEST, LOT 10 BLK 1 TR 360 PUEBLO WEST, to the SE corner of LOT 11 BLK 1 TR 360 PUEBLO WEST; thence in a westerly direction to the SW corner of LOT 16 BLK 01 TR 360 PUEBLO WEST; thence in a southerly direction to the SE corner of LOT 16 BLK 4 TR 359 PUEBLO WEST; thence in a northwesterly direction to the SW corner of LOT 8 BLK 13 TR 303 PUEBLO WEST; thence in a westerly direction to the SW corner of LOT 3 BLK 13 TR 303 PUEBLO WEST; thence in a westerly direction to the SE corner of LOT 7 BLK 2 TR 321 PUEBLO WEST; thence in a northwesterly direction to the SW corner of LOT 8 BLK 02 TR 321 PUEBLO WEST; thence in a northerly direction to the SE corner of LOT 25 BLK 01 TR 302 PUEBLO WEST; thence in a westerly direction to the SW corner of LOT 27 BLK 01 TR 302 PUEBLO WEST; thence in a northerly direction to the NW corner of LOT 32 BLK 01 TR 302 PUEBLO WEST; thence in a westerly direction to the NE corner of LOT 8 BLK 08 TR 316 PUEBLO WEST; thence in a southerly direction to the SE corner of LOT 13 BLK 08 TR 316 PUEBLO WEST; thence in a westerly direction to the NE corner of LOT 22 BLK 08 TR 316 PUEBLO WEST located in T20S R67W Pueblo County CO; thence in a southerly direction to the SE corner of LOT 35 BLK 08 TR 316 PUEBLO WEST; thence in a westerly direction to the SW corner of LOT 38 BLK 08 TR 316 PUEBLO WEST; thence in a northwesterly direction to the SW corner of Section 11 T20S R67W Pueblo County, CO; thence due north along the section lines to the NW corner of Section 35 T19S R67W Pueblo County, CO; thence in a southwesterly direction to the NE corner of LOT 13 BLK 10 TR 308 PUEBLO WEST.

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PUEBLO WEST DIVISION – CONT, North of Highway 50

<u>Township</u>	<u>Range</u>	<u>Sections</u>
19 South	65 West	South ¼ of Sec 7, South ½ of Sec 8 EXCEPT NE ¼ SE ¼, South ½ of Sec 9 EXCEPT North ½ of SW ¼, South ½ of Sec 10, West ½ of SW ¼ of Sec 11, West ½ of Sec 13 EXCEPT Property located East of the Eastern ROW of Interstate 25, All of Section 14, 15, 17, 18, 19, 20, All of Sec 21 EXCEPT the South ¼, All of Sec 22, and 23, North ½ of Sec 26, NE ¼ of Sec 27 EXCEPT SW ¼ NE ¼, All of Sec 29, 30, and 31 EXCEPT Lot 36-47 BLK 01 TR244 and Lot 5-7 BLK 02 TR 244, All of Sec 32, All of Sec 33 EXCEPT NE ¼ NE ¼, All of Sec 34 EXCEPT NW ¼ , NW ¼ NE ¼, N 1/2 SE 1/4 E OF SANTA FE RR 34-19-65 15A M/L, and E OF RR IN S 1/2 SE 1/4 34-19-65 4A M/L, Sec 35 Lots 1-5 Sub Exemption #86-10.
19 South	66 West	All of Sec 13 EXCEPT SW ¼ , All of Sec 24 EXCEPT Parcel A, O, P TR 251, and Lots 1-11 BLK 17 TR 251 and Lots 1-8 BLK 16 TR251, All of Sec 25, and East ½ of NE ¼ of Sec 26

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PUEBLO WEST DIVISION – CONT, North of Highway 50

Township	Range	Sections
20 South	65 West	<p>North ½ of NE ¼ and SW ¼ NE ¼ of Sec 3 EXCEPT COM SE COR SW 1/4 NE 1/4 SEC 3, SD PT ALSO BEING TRUE PT OF BEG TH WLY ALG S LINE SW 1/4 NE 1/4 SEC 3, S 89 DEG 41 MIN 18 SEC W 184.28 FT TO PT ON SELY R/WAT&SF RR CO TH NELY ALG LAST SD R/W LINE N 10 DEG04 MIN 15 SEC E 1017.55 FT TO PT ON E LINE SW ¼ NE 1/4 SEC 3, TH SLY ALG E LINE SW 1/4 NE 1/4 SD SEC 3,S 00 DEG 21 MIN 47 SEC E 1000.90 FT TO TRUE PT OF BEG.SW4 NE4 3-20-65 2.12A M/L, North ½ and North ½ of SE ¼ and East ½ of SE ¼ SE ¼, and W ¼ of the SW ¼ of the SE ¼ EXCEPT W ½ of the S 1/2 SW 1/4 SW 1/4 SE 1/4 4-20-65 5A of Sec 4, All of Sec 5 EXCEPT SWSW ¼, All of Sec 6 EXCEPT Lot 1-6 BLK 02 TR 244, Lot 5-9 BLK 03 TR 244, Parcel A TR 244, LOT 36 BLK 1 TR 244, LOT 46 BLK 1 TR 244, Lot 7-12 BLK 5 TR 242, Parcel A TR 242, and all of Sec 6 south of the following line; beginning at the NW corner of LOT 1 BLK 6 TR 242, thence in a Southeasterly direction to the southern most corner of LOT 3 BLK 6 TR 242 , thence in a Southeasterly direction to the SE corner of LOT 4 BLK 6 TR 242 , thence along the south property lines of LOTS 5-8 BLK 6 TR 242 to the West ROW of Paseo Dorado Dr, thence Southeasterly along the West ROW of Paseo Dorado Dr to the northern most corner of LOT 1 BLK 7 TR 242 , thence in a Southwest direction to the Southwest corner of LOT 1 BLK 7 TR 242 , thence in a Southeasterly direction along the southern property lines of LOTS 1-14 BLK 7 TR 242 to the Southeast corner of LOT 14 BLK 7 TR 242, thence in a southeasterly direction along the southern property lines of LOTS 19-21 BLK 7 TR 242 to a point of intersection with the Eastern Section Line of Section 6 Township 20 South Range 65 West, The East ½ of Section 8 Township 20 South Range 65 West located North of the North ROW of US Highway 50, and the West ½ of the SW ¼ of Section 9 Township 20 south Range 65 West located North of the North ROW of US Highway 50.</p>

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PUEBLO WEST DIVISION – CONT, North of Highway 50

<u>Township</u>	<u>Range</u>	<u>Sections</u>
20 South	66 West	Beginning at a point of intersection of the North section Line of Section 2 Township 20 South Range 66 West and the extend West property line of LOT 1 BLK 1 TR 244, thence South to Northeastern corner of LOT 3 BLK 6 TR 244 , thence West to the Northwestern corner of LOT 3 BLK 6 TR 244 thence in a Southwestern direction to the Southwestern corner of Parcel D TR 244, thence in a Northwestern direction along the extend Southern property line of Parcel D TR 244 to a point of intersection with the Eastern ROW of Watusi Dr, thence south along the east ROW of Watusi Dr to the North ROW of Industrial Blvd., thence west along the North ROW of Industrial Blvd. to the Southeast corner of LOT 24 BLK 3 TR 245, thence in a Southwestern direction to the Southeast corner of LOT 1 BLK 5 TR 245, thence in a Southwestern direction along the extended Eastern Property Line of LOT 1 BLK 5 TR 245 to a point of intersection with the North ROW of US Highway 50, thence in a Northwestern direction along the North ROW of US Highway 50 to the Western Section Line of Section 2 township 20 South Range 66 West, thence North to the Northwest corner of Section 2 township 20 South Range 66 West, thence East along the North Section Line of Section 2 township 20 South Range 66 West to the point of Beginning at the intersection of the North section Line of Section 2 Township 20 South Range 66 West and the extend West property line of LOT 1 BLK 1 TR 244

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EASTERN COLORADO DIVISION TERRITORY SERVED

Adams County

<u>Township</u>	<u>Range</u>	<u>Sections</u>
2 South	63 West	19-21, 28-33
2 South	64 West	24, 25, 36
3 South	61 West	28-35
3 South	62 West	7-11, 14-36
3 South	63 West	4-36
3 South	64 West	1, 12, 13, 24-36
3 South	65 West	25, 35, 36

Arapahoe County

<u>Township</u>	<u>Range</u>	<u>Sections</u>
4 South	59 West	31
4 South	60 West	4-9, 16-23, 25-36
4 South	61 West	All
4 South	62 West	All
4 South	63 West	All
4 South	64 West	1-26, 35, 36
4 South	65 West	1, 2, 12
5 South	59 West	5-9, 16-22, 27-33
5 South	60 West	1-5, 9-15, 23-26, 36

Cheyenne County

<u>Township</u>	<u>Range</u>	<u>Sections</u>
15 South	48 West	4, 5, 8, 9

Elbert County

<u>Township</u>	<u>Range</u>	<u>Sections</u>
6 South	59 West	5, 6

Kiowa County

<u>Township</u>	<u>Range</u>	<u>Sections</u>
18 South	43 West	30
18 South	44 West	25

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NATURAL GAS RATES
 RATE SCHEDULE SUMMATION SHEET
 MOUNTAIN AND EASTERN COLORADO DIVISIONS

FIRM GAS TRANSPORTATION SERVICE

<u>Rate Schedule</u>	<u>Type of Charge</u>	<u>Billing Units</u>	<u>Base Rate</u>
ALL	Service and Facility Reservation Charge	---	\$150.00
		Pursuant to Contract	
	Transportation Distribution:		
	Standard	Dekatherms	\$10.036
	Minimum	Dekatherms	\$0.50
	Authorized Overrun Transportation Distribution:		
	Standard	Dekatherms	\$10.036
	Unauthorized Overrun Transportation Distribution:		
	Standard	Dekatherms	\$25.00
	Minimum	Dekatherms	\$10.036
	Firm Supply Reservation	Pursuant to Contract	
	Backup Supply		
	Distribution Charge	Dekatherms	\$10.036
	Commodity Charge	Dekatherms	Sheet No. 22
	Upstream Pipeline Charge	Dekatherms	Sheet No. 22
	Unauthorized Overrun Sales Commodity:		
	Standard	Dekatherms	\$25.00
	Minimum Distribution Charge	Dekatherms	\$10.036
	Commodity Charge	Dekatherms	Sheet No. 22
	Upstream Pipeline Charge	Dekatherms	Sheet No. 22

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NATURAL GAS RATES
MOUNTAIN AND EASTERN COLORADO DIVISIONS
RESIDENTIAL AND COMMERCIAL GAS SERVICE

APPLICABILITY

Applicable within the Mountain and Eastern Colorado Divisions served by Colorado Natural Gas, as described on Sheet No's. 5-7, to Residential and Commercial service.

GAS RATE ADJUSTMENT

This rate schedule is subject to the Gas Rate Adjustments commencing on Sheet No. 22.

GAS COST ADJUSTMENT

This rate schedule is subject to the Gas Cost Adjustment commencing on Sheet No. 22.

GAS – DEMAND SIDE MANAGEMENT COST ADJUSTMENT

This rate schedule is subject to the Gas – Demand Side Management Cost Adjustment commencing on Sheet No. 23E.

PAYMENT AND LATE PAYMENT CHARGE

Bills for gas service are due and payable within fifteen days from the mailing date of bill. Any amounts not paid on or before the due date of the bill shall be subject to a late payment charge of 1.5% per month.

CONTRACT PERIOD

Initial service under this schedule shall be for a minimum period of thirty days and thereafter until terminated, where service is no longer required, on three days' notice.

RULES AND REGULATIONS

Service supplied under this schedule is subject to the terms and conditions set forth in the Company's Rules & Regulations on file with The Public Utilities Commission of the State of Colorado.

CONTRIBUTION IN AID TO CONSTRUCTION – COMMERCIAL CUSTOMERS

Prior to connection to the Company's system, the customers receiving service under this schedule will be required to pay a deposit to offset the cost of constructing the service line and the meter station. This charge will be credited against rate base. This fee will be based on the difference between an estimate of the actual costs for individual commercial customer and the commercial service lateral construction allowance.

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NATURAL GAS RATES
MOUNTAIN DIVISION MOUNTAIN AND EASTERN COLORADO DIVISIONS
RESIDENTIAL GAS SERVICE

Service under the terms of this rate schedule will be offered subject to the terms of the Service Lateral Connection and Distribution Main Extension Policy in the tariff, described on Sheets R38 through R50.

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NATURAL GAS RATES
FIRM GAS TRANSPORTATION SERVICE
SCHEDULE TF

APPLICABILITY

Applicable to Shippers having acquired by separate agreement, supplies of natural gas (Shipper's Gas) and where Company has available System capacity in excess of that presently required for service to existing firm gas sales Customers and firm Shippers. Service is applicable to firm transportation of Shipper's Gas from Company's Receipt Point(s) to the Delivery Point(s) through both of the Company's systems. Service provided hereunder shall be in accordance with the Firm Gas Transportation Service Agreement (Service Agreement) between Company and Shipper, and the requirements of the Firm Gas Transportation Service provisions and the General Transportation Terms and Conditions of Company's Gas Transportation Tariff. Firm Capacity and Firm Supply quantities reserved under this rate schedule shall be designated for Receiving Party(s) at specific Delivery Point(s).

LOST AND UNACCOUNTED FOR ("L&U") REIMBURSEMENT

Shippers receiving Firm Transportation Service shall include additional gas for L&U Reimbursement to the quantity of gas delivered to Company. The L&U Reimbursement percentage shall be re-calculated annually at the time of the Company's Gas Cost Adjustment Filing and reported on Sheet 22 of this tariff.

CAPACITY INTERRUPTION OF SERVICE

Transportation service in excess of Peak Day Quantity is subject to availability of System capacity in Company's System. Should Company, in its sole judgment, determine that adequate System capacity is unavailable, then Shipper is subject to immediate Capacity Interruption of transportation service for those quantities in excess of Peak Day Quantity.

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NATURAL GAS RATES
FIRM GAS TRANSPORTATION SERVICE SCHEDULE TF Cont'd

SUPPLY CURTAILMENT OF SERVICE

Transportation service hereunder is subject to receipt of adequate supplies of Shipper's Gas by Company. If supplies of Shipper's Gas are not available for receipt by Company or confirmed by Interconnecting Party, then Shipper may be subject to immediate Supply Curtailment of transportation service upon notification by Company.

FIRM CAPACITY SERVICE

Firm Capacity Service is required for those Shippers desiring to reserve firm capacity in Company's System. Shippers desiring Firm Capacity Service for or on behalf of Receiving Party(s), are required to submit to Company a Request for Transportation Service for each Delivery Point, which contains the Peak Day Quantity for which Shipper desires Company to reserve firm capacity in its System. Firm Capacity is made available to Shipper for and on behalf of Receiving Party only.

Firm Capacity Service will be made available as soon as practicable after Company determines that it has sufficient capacity for each Delivery Point to provide such service, and will be subject to the Supply Curtailment and Capacity Interruption sections of the Gas Transportation Terms and Conditions.

If Peak Day Quantity is frequently overrun by Receiving Party, the Company reserves the right to increase Peak Day Quantity for the remainder of the term of the Service Agreement.

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NATURAL GAS RATES
FIRM GAS TRANSPORTATION SERVICE
SCHEDULE TF Cont'd

FIRM CAPACITY SERVICE - Cont'd

Shipper shall submit to Company revised Request for Gas Transportation Service any time Shipper desires to change its Peak Day Quantity. The request will either be approved or denied by Company within sixty (60) days of the receipt thereof. If denied, written notification will be provided to Shipper detailing the reasons for denial, as well as an explanation of what changes would be necessary to enable Company to provide the requested service, and any additional charges therefore. Firm Capacity Service at the revised Peak Day Quantity will commence when Company notifies Shipper that it has sufficient capacity to transport the revised Peak Day Quantity, subject to the Supply Curtailment and Capacity Interruption Sections of the Gas Transportation Terms and Conditions. The Peak Day Quantity will be specified in the Service Agreement and the rate for Firm Capacity Service will be the Firm Capacity Reservation Charge.

FIRM SUPPLY RESERVATION SERVICE

Firm Supply Reservation Service is an option that allows Shippers to pay a reservation charge giving Shipper rights to purchase Backup Supply Sales Service should Shipper's Gas fail. Shippers desiring Firm Supply Reservation Service are required to submit to Company a Request for Transportation Service between March 1 and April 1 of each year for each Service Agreement which contains the Peak Day Quantity that Shipper desires Company to reserve commencing October 1 of the same year. Such Peak Day Quantity shall not be greater than the quantity requested and approved by Company for Firm Capacity Service. Company will review initial

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NATURAL GAS RATES
FIRM GAS TRANSPORTATION SERVICE
SCHEDULE TF Cont'd

SUPPLY CURTAILMENT OF SERVICE

Transportation service hereunder is subject to receipt of adequate supplies of Shipper's Gas by Company. If supplies of Shipper's Gas are not available for receipt by Company or confirmed by Interconnecting Party, then Shipper may be subject to immediate Supply Curtailment of transportation service upon notification by Company.

FIRM CAPACITY SERVICE

Firm Capacity Service is required for those Shippers desiring to reserve firm capacity in Company's System. Shippers desiring Firm Capacity Service for or on behalf of Receiving Party(s), are required to submit to Company a Request for Transportation Service for each Delivery Point, which contains the Peak Day Quantity for which Shipper desires Company to reserve firm capacity in its System. Firm Capacity is made available to Shipper for and on behalf of Receiving Party only.

Firm Capacity Service will be made available as soon as practicable after Company determines that it has sufficient capacity for each Delivery Point to provide such service, and will be subject to the Supply Curtailment and Capacity Interruption sections of the Gas Transportation Terms and Conditions.

If Peak Day Quantity is frequently overrun by Receiving Party, the Company reserves the right to increase Peak Day Quantity for the remainder of the term of the Service Agreement.

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**NATURAL GAS RATES
FIRM GAS TRANSPORTATION SERVICE
SCHEDULE TF Cont'd**

SUPPLY CURTAILMENT OF SERVICE

Transportation service hereunder is subject to receipt of adequate supplies of Shipper's Gas by Company. If supplies of Shipper's Gas are not available for receipt by Company or confirmed by Interconnecting Party, then Shipper may be subject to immediate Supply Curtailment of transportation service upon notification by Company.

FIRM CAPACITY SERVICE

Firm Capacity Service is required for those Shippers desiring to reserve firm capacity in Company's System. Shippers desiring Firm Capacity Service for or on behalf of Receiving Party(s), are required to submit to Company a Request for Transportation Service for each Delivery Point, which contains the Peak Day Quantity for which Shipper desires Company to reserve firm capacity in its System. Firm Capacity is made available to Shipper for and on behalf of Receiving Party only.

Firm Capacity Service will be made available as soon as practicable after Company determines that it has sufficient capacity for each Delivery Point to provide such service, and will be subject to the Supply Curtailment and Capacity Interruption sections of the Gas Transportation Terms and Conditions.

If Peak Day Quantity is frequently overrun by Receiving Party, the Company reserves the right to increase Peak Day Quantity for the remainder of the term of the Service Agreement. Shipper shall submit to Company revised Request for Gas Transportation Service any time Shipper desires to change its Peak Day Quantity. The request will either be approved or denied by Company within sixty (60) days of the receipt thereof. If denied, written notification will be provided to Shipper detailing the reasons for denial, as well as an explanation of what changes would be necessary to enable Company to provide the requested service, and any additional charges therefore. Firm Capacity Service at the revised Peak Day Quantity will commence when Company notifies Shipper that it has sufficient capacity to transport the revised Peak Day Quantity, subject to the Supply Curtailment and Capacity Interruption Sections of the Gas Transportation Terms and Conditions. The Peak Day Quantity will be specified in the Service Agreement and the rate for Firm Capacity Service will be the Firm Capacity Reservation Charge.

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Effective Date

COLORADO NATURAL GAS, INC.

P.O. Box 270868
Littleton, CO 80127

CO PUC No. 2

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Sheet No. 14E
Sheet No. _____

NATURAL GAS RATES
FIRM GAS TRANSPORTATION SERVICE
SCHEDULE TF Cont'd

FIRM SUPPLY RESERVATION SERVICE

Firm Supply Reservation Service is an option that allows Shippers to pay a reservation charge giving Shipper rights to purchase Backup Supply Sales Service should Shipper's Gas fail. Shippers desiring Firm Supply Reservation Service are required to submit to Company a Request for Transportation Service between March 1 and April 1 of each year for each Service Agreement which contains the Peak Day Quantity that Shipper desires Company to reserve commencing October 1 of the same year. Such Peak Day Quantity shall not be greater than the quantity requested and approved by Company for Firm Capacity Service. Company will review initial or subsequent Requests for Firm Supply Reservation Service on a first-come, first-serve basis, based upon the date of receipt of the request. The request will either be approved or denied by Company within sixty (60) days of the receipt thereof. If denied, written notification will be provided to Shipper detailing the reasons for denial.

Increases or decreases in Peak Day Quantity in subsequent requests shall be approved by Company at its sole discretion. Company will commence Firm Supply Reservation Service as soon as is practicable after it determines that sufficient supplies are available. Firm Supply Reservation Service shall be made available to Shipper for and on behalf of the Receiving Party(s) only. Shipper, in receiving said Firm Supply Reservation Service, acknowledges that it is acting for the Receiving Party(s) as the Receiving Party(s)' agent. The Peak Day Quantity will be specified in Service Agreement and the rate for Firm Supply Reservation Service will be the Firm Supply Reservation Charge.

If Peak Day Quantity is frequently overrun by Receiving Party, the Company reserves the right to increase Peak Day Quantity for the remainder of the term of the Service Agreement.

If Shipper elects to purchase Firm Supply Reservation Service, and Company commences providing service under this option, then Company is obligated to provide natural gas supplies to Receiving Party. Company will not be obligated to stand ready to provide firm gas sales service at a level above the Peak Day Quantity reserved for Receiving Party(s) who elect to return to sales service.

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**NATURAL GAS RATES
FIRM GAS TRANSPORTATION SERVICE
SCHEDULE TF Cont'd**

BACKUP SUPPLY SALES SERVICE

Backup Supply Sales Service is an option available to Shippers that can be used in the event that adequate supplies of Shipper's Gas are not available for receipt by Company. Shippers who purchase Firm Supply Reservation Service have rights to purchase Backup Supply Sales Service up to the Peak Day Quantity at the Backup Supply Sales Charge. Quantities sold to Shippers in excess of each Receiving Party's Peak Day Quantity will be considered on an interruptible basis.

Shippers who have not purchased Firm Supply Reservation Service can request Backup Supply Sales from Company and, if available, can purchase those quantities authorized for sale by Company at the Backup Supply Sales Charge. If Backup Supply Sales Service is unavailable from Company, the Receiving Party shall discontinue use of any gas quantities in excess of those available from Shipper. Consumption of any gas quantities not authorized by Company in excess of those available from Shipper shall be billed to Shipper under the provisions of the Unauthorized Overrun Sales Service section of this rate schedule.

AUTHORIZED OVERRUN TRANSPORTATION SERVICE

In the event Shipper desires Company to transport Shipper's Gas in excess of the Peak Day Quantity, Company may, at its sole discretion, provide such Authorized Overrun Transportation Service on an interruptible basis, provided Company has sufficient capacity and receives Shipper's Gas at the Receipt Point(s). Company will provide Authorized Overrun Transportation Service in accordance with the Supply Curtailment and Capacity Interruption sections of the Gas Transportation Terms and Conditions. Authorized Overrun Transportation Service will be provided at the Authorized Overrun Transportation Charge. In the event Company does not authorize transportation in excess of the Peak Day Quantity then all gas transported over the Peak Day Quantity shall be at the Unauthorized Overrun Transportation Charge. Charges shall not be less than the minimum Unauthorized Overrun Transportation Charge or more than the Standard Unauthorized Overrun Transportation Charge. Unauthorized Overrun Transportation Charges shall not be assessed if the overrun quantities are less than five (5) MMBTU. For unauthorized transportation overruns of five (5) MMBTU or more, the Unauthorized Overrun Transportation Charge will be waived if Shipper requests an increase in Shipper's Firm Capacity and/or Firm Supply quantities to the new Peak Day Quantity reflected by overrun, and if such increased quantities are available. In the case of repeated use of gas during periods of Supply Curtailment, Capacity Interruption or restricted delivery days,

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NATURAL GAS RATES
FIRM GAS TRANSPORTATION SERVICE
SCHEDULE TF Cont'd

AUTHORIZED OVERRUN TRANSPORTATION SERVICE Cont'd

Company shall have the right to charge Shipper the Standard Unauthorized Overrun Transportation Charge, and terminate service hereunder and return Receiving Party to sales service, if applicable. In determining the level of the Unauthorized Overrun Transportation Charge, Company shall charge all Shippers similar charges in all overrun cases, whether or not they occur on the same day, providing that the circumstances surrounding the overrun are similar.

AUTHORIZED OVERRUN SALES SERVICE

If Shipper's supply of natural gas should fail for whatever reason, and Shipper has contracted for Firm Supply Reservation Service and desires to purchase gas from Company in excess of Shipper's Peak Day Quantity, Company may, at its sole discretion, provide Authorized Overrun Sales Service on an interruptible basis. This service will be provided at the Authorized Overrun Sales Charge. If Shipper's supply of natural gas should fail for whatever reason, Company will provide interruptible supplies at the Backup Supply Sales Charge to Shipper, if available. If Shipper uses more than the quantity authorized by Company, or if such supplies are not available and the Receiving Party continues to use gas during the period of such failure, then Shipper will be required to pay Company the Unauthorized Overrun Sales Charge, in addition to the Backup Supply Sales Charge, for all gas used during such period. If Shipper has contracted for Firm Supply Service for and on behalf of Receiving Party and Shipper's supply of natural gas should fail for whatever reason, Shipper will be required to pay Company the Unauthorized Overrun Sales Charge only for those unauthorized quantities in excess of each Receiving Party's Peak Day Quantity. In the case of repeated use of Unauthorized gas during periods of Supply Curtailment, Capacity Interruption or Restricted Delivery Days, Company shall have the right to charge Shipper the Standard Unauthorized Overrun Sales Charge. Charges shall not be less than the minimum Unauthorized Overrun Sales Charge or more than the Standard Unauthorized Overrun Sales Charge. Unauthorized Overrun Sales Charges shall not be assessed if the overrun quantities are less than five (5) MMBTU. In determining the level of the Unauthorized Overrun Sales Charge, Company shall charge all Shippers similar charges in all overrun cases, whether or not they occur on the same day, providing that the circumstances surrounding the overrun are similar.

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NATURAL GAS RATES
FIRM GAS TRANSPORTATION SERVICE
SCHEDULE TF Cont'd

COMMUNICATION LINE INSTALLATION AND MAINTENANCE

If required by Company for electronic metering, Shipper assumes responsibility for the installation and maintenance costs for a communication line necessary for electronic metering of gas quantities transported.

Shipper will provide an "analog/pulse" communication line to the meter via conduit, suitable underground cable, or properly mounted outdoor grade wire of sufficient length to extend to the meter index, plus an additional five feet for wiring of the instruments prior to initiation of service by Company. Communication wire installation will be subject to the National Electric Safety Code Requirement. Shipper shall coordinate installation of the communication line with Company.

Receiving Party will maintain the communication line and cause any interruption in service over the communication line to be repaired as soon as possible. Shipper or Receiving Party will notify Company in advance of any planned outages. In the event the communication line is out of service for a period of more than two days, Company reserves the right to discontinue transportation service until the communication line is placed back in service.

TERMINATION CHARGE

In the event Shipper gives notice of its intention to cancel Firm Gas Transportation Service for any or all Delivery Points prior to the end of the Contract Period or any subsequent Contract Period, as provided for in said Service Agreement, Shipper shall be obligated to pay Company a termination charge, equal to the Firm Capacity Reservation Charge and the Firm Supply Reservation Charge, if applicable, multiplied by the Peak Day Quantity, as described in the Service Agreement, for every month remaining in any Contract Period. If Receiving Party returns to Company's firm sales service at same service level, the termination charge will be waived. In addition, all costs incurred by Company relating to any specific facility charges specified in Service Agreement shall become immediately due and payable to Company.

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**NATURAL GAS RATES
INTERRUPTIBLE GAS TRANSPORTATION SERVICE
SCHEDULE TI**

APPLICABILITY

Applicable to Shippers having acquired by separate agreement, supplies of natural gas (Shipper's Gas) and where Company has available System capacity in excess of that presently required for service to existing firm gas sales Customers and Firm Transportation Shippers. Service is applicable to firm transportation of Shipper's Gas from Company's Receipt Point(s) to the Delivery Point(s) through both of the Company's systems. Service provided hereunder shall be in accordance with the Interruptible Gas Transportation Service Agreement (Service Agreement) between Company and Shipper, and the requirements of the Interruptible Gas Transportation Service provisions and the General Transportation Terms and Conditions of Company's Gas Transportation Tariff.

LOST AND UNACCOUNTED FOR ("L&U") REIMBURSEMENT

Shippers receiving Firm Transportation Service shall include additional gas for L&U Reimbursement to the quantity of gas delivered to Company. The L&U Reimbursement percentage shall be re-calculated annually at the time of the Company's Gas Cost Adjustment Filing and reported on Sheet 22 of this tariff.

CAPACITY INTERRUPTION OF SERVICE

Transportation service hereunder is subject to availability of System capacity in Company's System. Should Company, in its sole judgment, determine that adequate System capacity is unavailable, then Shipper is subject to immediate Capacity Interruption of transportation service.

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NATURAL GAS RATES

INTERRUPTIBLE GAS TRANSPORTATION SERVICE

Schedule TI - Cont'd

SUPPLY CURTAILMENT OF SERVICE

Transportation service hereunder is subject to receipt of adequate supplies of Shipper's Gas by Company. If supplies of Shipper's Gas are not available for receipt by Company or confirmed by Interconnecting Party, then Shipper may be subject to immediate Supply Curtailment of transportation service upon notification by Company.

Shipper may, at it's option, request Backup Supply Sales Service. If Company's Backup Supply Service is not available, then Shipper is subject to curtailment of transportation service. In the case of repeated use of gas during periods of Supply Curtailment, Company shall have the right to terminate service hereunder and return Receiving Party to sales service if applicable.

BACKUP SUPPLY SALES SERVICE

Backup Supply Sales Service is an option available to Shippers that can be used in the event that adequate supplies of Shipper's Gas are not available for receipt by Company. In the event that adequate supplies of Shipper's Gas are not available for receipt by Company, Company shall sell to and Shipper shall purchase from Company at the Backup Supply Sales Charge, those quantities authorized for sale by the Company. If Backup Supply Sales Service is unavailable from Company, the Receiving Party shall discontinue use of any gas quantities in excess of those available from Shipper. Consumption of any gas quantities not authorized by Company in excess of those available from Shipper shall be billed to Shipper under the provisions of the Unauthorized Overrun Sales Service section of this rate schedule.

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NATURAL GAS RATES
INTERRUPTIBLE GAS TRANSPORTATION SERVICE
Schedule TI - Cont'd

AUTHORIZED OVERRUN TRANSPORTATION SERVICE

In the event Shipper desires Company to transport Shipper's Gas in excess of the Maximum Daily Transportation Quantity, Company may, at its sole discretion, provide such Authorized Overrun Transportation Service on an interruptible basis, provided Company has sufficient capacity and receives Shipper's Gas at the Receipt Point(s). Company will provide Authorized Overrun Transportation Service in accordance with the Supply Curtailment and Capacity Interruption sections of the Gas Transportation Terms and Conditions. Authorized Overrun Transportation Service will be provided at the Authorized Overrun Transportation Charge.

UNAUTHORIZED OVERRUN TRANSPORTATION SERVICE

In the event Company does not authorize transportation in excess of the Maximum Daily Transportation Quantity, or interrupts transportation service due to the lack of system capacity, and Shipper's Gas was available for transportation, then all gas used by each Receiving Party in excess of the Maximum Daily Transportation Quantity or during the period of capacity interruption shall be at the Unauthorized Overrun Transportation Charge. In the case of repeated use of gas during periods of Capacity Interruption, or restricted delivery days, the Company shall have the right to charge Shipper the Standard Unauthorized Transportation Charge, and terminate service hereunder and return the Receiving Party to sales service if applicable.

UNAUTHORIZED OVERRUN SALES SERVICE

Should Company interrupt transportation service due to the lack of system capacity, and Shipper's Gas was not available for transportation, then all interruptible gas used during the period of Capacity Interruption shall be at the Unauthorized Overrun Sales Charge in addition to the Backup Sales Supply Charge. If Shipper's supply of natural gas should fail for whatever reason, Company will provide interruptible supplies at the Backup Supply Sales Charge to Shipper, if available. If Shipper uses more than the quantity authorized by Company, or if such supplies are not available and the Receiving Party continues to use gas during the period of such failure, then Shipper will be required to pay Company the Unauthorized Overrun Sales Charge, in addition to the Backup Supply Sales Charge, for all gas used during such period.

In the case of repeated use of Unauthorized gas during periods of Supply Curtailment, Capacity Interruption or Restricted Delivery Days, Company shall have the right to charge Shipper the Standard Unauthorized Overrun Sales Charge. Charges shall not be less than the minimum Unauthorized Overrun Sales Charge or more than the Standard Unauthorized Overrun Sales Charge.

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NATURAL GAS RATES
INTERRUPTIBLE GAS TRANSPORTATION SERVICE
Schedule TI - Cont'd

COMMUNICATION LINE INSTALLATION AND MAINTENANCE

If required by Company for electronic metering, Shipper assumes responsibility for the installation and maintenance costs for a communication line necessary for electronic metering of gas quantities transported.

Shipper will provide an "analog/pulse" communication line to the meter via conduit, suitable underground cable, or properly mounted outdoor grade wire of sufficient length to extend to the meter index, plus an additional five feet for wiring of the instruments prior to initiation of service by Company. Communication wire installation will be subject to the National Electric Safety Code Requirement. Shipper shall coordinate installation of the communication line with Company.

Receiving Party will maintain the communication line and cause any interruption in service over the communication line to be repaired as soon as possible. Shipper or Receiving Party will notify Company in advance of any planned outages. In the event the communication line is out of service for a period of more than two days, Company reserves the right to discontinue transportation service until the communication line is placed back in service.

CONTRACT PERIOD

Unless otherwise agreed, this schedule is available only under an Interruptible Gas Transportation Service Agreement for a minimum period of one year commencing on the effective date of the Service Agreement, and continuing from year to year after the initial one year period until canceled as provided by said Service Agreement.

ON-PEAK GAS

Shippers have the option to contract, on behalf of a Receiving Party, those minor amounts of firm sales gas that are not subject to Supply Curtailment or Capacity Interruption. Such gas is normally supplied for the pilots of gas consuming appliances and other such minor uses. Commitments for On-Peak Service shall be at the option of the Company, dependent upon the sufficiency of pipeline and system capacity with respect to the requirements of Company's other firm gas sales Customers and Firm Shippers. The maximum daily quantity of On-Peak gas to be supplied to each Receiving Party shall be specified in the Service Agreement between Shipper and Company.

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NATURAL GAS RATES
INTERRUPTIBLE GAS TRANSPORTATION SERVICE
Schedule TI - Cont'd

ADVANCE NOTIFICATION

Transportation service under this schedule is interruptible and is subject to immediate discontinuance to Shipper by Company in accordance with the Service Agreement. Company, whenever circumstances reasonably permit, will endeavor to give Shipper advance notice of Supply Curtailment or Capacity Interruption of transportation service by telephone or otherwise, and Shipper shall ensure that Receiving Party shall immediately discontinue the use of gas when and as directed by the Company. Authorized representatives of the Company shall have at all times the right of ingress and egress to Receiving Party's premises. Upon determination by the Company that the necessity for Supply Curtailment or Capacity Interruption has ceased, gas transportation service shall be resumed. If the Receiving Party fails to discontinue the use of gas as provided herein, the Company may discontinue service to the Receiving Party by physically shutting off the gas supply.

DISCOUNT OF SERVICE

The Company may offer interruptible transportation service at a discount. Any discount offered will be based on the Company's best available information regarding the costs to a transportation customer of a competing fuel or the cost of a bypass line that could be installed to serve that customer with natural gas from an alternative source. The Company will re-calculate any discount on an annual basis but will only modify any discount at the end of an Interruptible Transportation Agreement.

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NATURAL GAS RATES
FRANCHISE FEE SURCHARGE

The monthly charge for natural gas service as determined from the Company's applicable gas rate schedules, including the Gas Cost Adjustment, General Rate Schedule Adjustments, and any other applicable adjustments, shall be increased to each customer receiving service within a municipality wherein the Company pays franchise fees, by the appropriate percentage as set forth in the franchise agreement between the Company and the municipality.

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NATURAL GAS RATES
OCCUPATION TAX SURCHARGE

The monthly charge for gas service as determined from the Company's applicable gas rate schedules, including the Gas Cost Adjustment, General Rate Schedule Adjustment, and any other applicable adjustments, shall be increased to each customer receiving service within a municipality wherein the Company pays an occupation tax by an appropriate percentage calculated to recover the amount of the tax.

In order to recover from all customers within the municipality the amount of said tax, the Company will calculate an gas occupation tax percentage surcharge in the following manner:

- 1) Estimated local gas revenues from within a municipality will be divided by the estimated total local revenue to arrive at an estimated gas percentage of total local revenue.
- 2) The estimated gas percentage of total revenue will be multiplied by the total amount of the occupation tax levied by the municipality to derive the amount of the tax to be recovered through gas sales. Any amount of the gas occupation tax from a prior period either over or under recovered will be added to or subtracted from the amount of tax to be recovered through current gas sales.
- 3.) The amount of the tax to be recovered through gas sales will be divided by the estimated local gas revenue to derive an occupation tax percentage surcharge.

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<u>NATURAL GAS RATES</u> <u>GAS COST ADJUSTMENT</u>							
A	B	C	D	E	F	G	H
Rate Schedule	Sheet No.	Billing Units	Type of Charge	Commodity Cost	Upstream Cost	Deferred Gas Cost	Gas Cost Adjustment
RG-M (B)	8	Therms	Commodity	\$0.3889	\$0.1271	(\$0.0211)	\$0.4949
RG-M (C)	8	Therms	Commodity	\$0.3632	\$0.1782	(\$0.0064)	\$0.5350
RG-M (PW)	8	Therms	Commodity	\$0.3789	\$0.1839	(\$0.0508)	\$0.5120
RG-EC	8	Therms	Commodity	\$0.3277	\$0.0572	(\$0.0751)	\$0.3098
CG-M (B)	8	Therms	Commodity	\$0.3889	\$0.1271	(\$0.0211)	\$0.4949
CG-M (C)	8	Therms	Commodity	\$0.3632	\$0.1782	(\$0.0064)	\$0.5350
CG-M (PW)	8	Therms	Commodity	\$0.3789	\$0.1839	(\$0.0508)	\$0.5120
CG-EC	8	Therms	Commodity	\$0.3277	\$0.0572	(\$0.0751)	\$0.3098
TF-M (B)	10	Dekatherms	Commodity	\$3.889	\$1.271	(\$0.211)	\$4.949
TF-M (C)	10	Dekatherms	Commodity	\$3.632	\$1.782	(\$0.064)	\$5.350
TF-M (PW)	10	Dekatherms	Commodity	\$3.789	\$1.839	(\$0.508)	\$5.120
TF-EC	10	Dekatherms	Commodity	\$3.277	\$0.572	(\$0.751)	\$3.098
TI-M (B)	11	Dekatherms	Commodity	\$3.889	\$1.271	(\$0.211)	\$4.949
TI-M (C)	11	Dekatherms	Commodity	\$3.632	\$1.782	(\$0.064)	\$5.350
TI-M (PW)	11	Dekatherms	Commodity	\$3.789	\$1.839	(\$0.508)	\$5.120
TI-EC	11	Dekatherms	Commodity	\$3.277	\$0.572	(\$0.751)	\$3.098

For each Rate Schedule, the Gas Cost Adjustment, Column H, is the sum of the Commodity Cost in Column E, the Upstream Cost in Column F and the Deferred Gas Cost in Column G.

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NATURAL GAS RATES
GAS COST ADJUSTMENT - CONT

For Schedules TF-B, TF-C, TF-PW, TI-B, TI-C, and TI-PW, the commodity cost charged will be the highest of: (A) the Commodity Cost listed above in Column E, or (B) the highest commodity cost paid by the Company for gas for that service area during the month service is rendered, or (C) the Colorado Interstate Gas Co. Rocky Mountains Monthly Index as published in the Inside FERC's Gas Market Report. Added to this highest cost will be the Upstream Cost in Column F.

On-Peak Demand Charge:

Schedules TF-B, TI-B,	\$5.96 per Dekatherm Capacity
Schedules TF-C, TI-C	\$5.96 per Dekatherm Capacity
Schedules TF-PW, TI-PW	\$5.96 per Dekatherm Capacity

Annual Lost & Unaccounted for Re-imburement:

Schedules TF-B, TI-B,	0.00%
Schedules TF-C, TI-C	0.00%
Schedules TF-PW, TI-PW	0.00%

Annual Average BTU Content:

Schedules RG-B, CG-B, TF-B, TI-B	1004.8
Schedules RG-C, CG-C, TF-C, TI-C	1013.7
Schedules RG-PW, CG-PW, TF-PW, TI-PW	989.0
Schedules RG-B, CG-B, TF-B, TI-B South Park	992.6

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NATURAL GAS RATES
GAS DEMAND SIDE MANAGEMENT COST ADJUSTMENT

Gas Demand-Side Management Cost Adjustment (G-DSMCA)

All sales rate schedules for natural gas service are subject to a Gas Demand-Side Management Cost Adjustment ("G-DSMCA") designed to prospectively recover prudently incurred costs of Demand-Side Management Programs ("DSM Programs") in accordance with Gas Demand-Side Management Rules 4750 through 4760 of the Commission's Rules Regulating Gas Utilities and Pipeline Operators, 4 Code of Colorado Regulations 723-4 ("Gas DSM Rules"). The G-DSMCA Factor shall be separately calculated and applied to the billed amounts derived from the Company's base rates schedules of residential and commercial customers. The calculated G-DSMCA recovery portion of the customer's bill will be shown separately from the base rates. The Company shall recover the annual expenditures projected for that year over a one-year period with the G-DSMCA Factor.

DSM Plan Filing

The initial DSM plan filings shall cover a DSM period of two years. The subsequent DSM plan filings shall cover a DSM period of three years unless otherwise specified by the Commission. Subsequent DSM plan applications are to be filed by May 1 of the final year of the current DSM plan. Periodic DSM Plan Filings may be pursuant to the Gas DSM Rules by the Company to propose, inter alia, expenditure target for DSM programs.

Annual G-DSMCA Filing

On or after January 1, 2009, the Company will place into effect the new G-DSMCA tariff pursuant to the Commission's final order on its initial DSM plan and application.

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NATURAL GAS RATES
GAS DEMAND SIDE MANAGEMENT COST ADJUSTMENT

Beginning April 1, 2010, and each April thereafter, the Company will submit its annual DSM report, application for bonus and DSMCA filing. The Company will include in its annual G-DSMCA filing all pertinent information and supporting documentation as is required by the Commission's Rules and as specifically set forth in Gas DSM Rules 4757 and 4758.

The Company shall file a request to adjust its G-DSMCA Factor either through an application or an advice letter and tariffs. Prudently incurred costs of DSM programs within the DSM program expenditure target approved by the Commission in order to provide for funding of the utility's DSM programs, as well as recovery of deferred G-DSMCA costs, plus any G-DSM bonus approved by the Commission, shall be recovered through the G-DSMCA Factor that is set on an annual basis, and collected from July 1 through June 30.

If the projected DSM program costs have changed from those used to calculate the currently effective G-DSMCA cost or if a Company's deferred G-DSMCA cost balance increases or decreases sufficiently, the Company may file an application to revise its currently effective G-DSMCA factor to reflect such changes, provided that the resulting change to the G-DSMCA factor equates to a base rate change of at least one cent (\$0.01) per Mcf or Dth. The Company has the burden of proof to justify any interim G-DSMCA filings and the Commission has the discretion to consolidate the interim G-DSMCA filing with the next regularly scheduled annual G-DSMCA filing.

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**NATURAL GAS RATES
GAS DEMAND SIDE MANAGEMENT COST ADJUSTMENT**

Definitions

Deferred G-DSMCA Cost. Deferred G-DSMCA Cost means a rate component of the G-DSMCA Factor which is designed to amortize over the G-DSMCA Period, plus interest, the under- or over-recovered G-DSMCA Factor reflected in the Company's Account No. 186 for all applicable rate schedules of residential and commercial customers.

DSM Period. DSM Period means the effective period of an approved DSM plan.

DSM Bonus. The amount of bonus approved by the Commission in the Company's annual DSM Bonus application, as set forth in Gas DSM Rule 4760.

Current DSM Cost. Prudently incurred costs of DSM programs within the DSM program expenditure target approved by the Commission in order to provide for funding of the utility's DSM programs.

DSM Program. DSM Program or energy efficiency program means any combination of DSM measures, information and services offered to customers to reduce natural gas usage set forth in the Company's DSM Plan Filing as approved by the Commission.

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Original _____ Sheet No. 23C
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NATURAL GAS RATES
GAS DEMAND SIDE MANAGEMENT COST ADJUSTMENT

G-DSMCA Factor. The G-DSMCA for each service class shall be a percentage adjustment applicable to all base rates for customers receiving service under the rate schedule for the service class. The following formula shall be used:

$$\text{G-DSMCA} = \frac{(\text{current DSM Cost} + \text{DSM Bonus} + \text{Deferred DSM Cost})}{(\text{CCount} * \text{SFC} + \text{Sales} * \text{D})}$$

where:

- CCount is the forecasted number of customers under a rate schedule in the DSM period,
- SFC is the Service & Facilities charge effective on the April 1 filing date,
- Sales is the forecasted sales gas quantity for the rate schedule in the DSM period, and
- D is the Distribution charge effective on the April 1 filing Date,
- The G-DSMCA Factor will also include the current G-DSM bonus plus any adjustment necessary to previously approved G-DSM bonuses.
- Deferred G-DSMCA Cost includes sub-accounts of deferred amounts for DSM bonus and current DSM Cost for the rate schedule.

G-DSMCA Period. The G-DSMCA shall take effect July 1 of each year for a period of 12 months.

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Interest on under- or over-recovery. The amount of net interest accrued on the average monthly balance in sub-accounts of Account No. 186 (whether positive or negative), is determined by multiplying the monthly balance by an interest rate equal to the Commission-authorized after-tax weighted average cost of capital.

Prudence review and adjustment of G-DSM bonus. If the Commission finds that the actual performance varies from performance values used to calculate the DSM bonus, then an adjustment shall be made to the amount of DSM bonus award. Any true-up in DSM bonus will be implemented on a prospective basis.

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**NATURAL GAS RATES
GAS SERVICE LOW-INCOME PROGRAM**

Low Income Program

All rate schedules for natural gas service are subject to a Customer Assistance Program ("CAP") program fee designed to recover the direct costs of the Low-Income Program. In accordance with Commission-approved Low Income Program and Rule 4412 of the Commission's Rules Regulating Gas Utilities and Pipeline Operators, 4 Code of Colorado Regulations 723-4 ("Low Income Program Rules"). The CAP shall apply as a monthly fixed fee for all residential and commercial rate schedules.

The CAP is a program designed to provide heating energy assistance to eligible CNG customer households in the form of bill credits in conjunction with Low Income Energy Assistance Program ("LEAP"), and arrearage forgiveness. This program is available to all CNG residential customers who meet certain Department of Health and Human Services ("HHS") and Colorado Natural Gas ("the Company") eligibility requirements.

Applicability

Pursuant to Rule 4412(c)(II)(B), the CAP has been designed to provide residential customers of the Company who meet certain Health and Human Service poverty eligibility criteria with assistance in paying their monthly natural gas heating bills. Households must meet all HHS and State of Colorado income eligibility standards and be enrolled and accepted as a participant in the State of Colorado's LEAP program for the year in which they enroll in the CAP. Customers must complete the program application and agree to all terms and conditions within the CAP program tariff.

Customers will be enrolled in the program upon receipt of a completed application, including authorization of the utility to share information with LEAP and Energy Outreach Colorado.

CAP is available until such time as program funds are depleted. The Company reserves the right to close or modify the program without prior notice.

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NATURAL GAS RATES
GAS SERVICE LOW-INCOME PROGRAM

Definitions

Eligible low-income customer - A residential utility customer who meets the household income thresholds computed annually by the Staff of the Commission pursuant to subparagraph Rule 4412(c)(II)(A).

Non-participant - A utility customer who is not receiving low-income assistance under Rule 4412.

Participant - An eligible low-income residential utility customer who participates in the low-income assistance program under Rule 4412.

HHS - The Colorado Department of Health and Human Services

Household – Includes all residents who live within a housing unit on a full time basis and receive natural gas service from Colorado Natural Gas.

LEAP -The Low-Income Energy Assistance program, a county-run, federally funded, program supervised by the Colorado Department of Human Services, Division of Low-Income Energy Assistance.

Estimated Annual Income – The amount of income based on Federal Poverty Level and number of residents residing within a household received from the Commission.

Service Account – The account associated with an individual household for billing purposes.

Affordable Credit - The percentage determined by the HHS to be an affordable amount of a households total income to be spent on home heating costs as defined by the households percent of poverty level

Commission – The Public Utilities Commission Of the State of Colorado

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**NATURAL GAS RATES
GAS DEMAND SIDE MANAGEMENT COST ADJUSTMENT**

Program Design

The CAP is a three tiered benefit system that provides benefits to eligible low-income residential customers. The program consists of three primary components; a company calculated bill credit, a LEAP credit, and an arrearage forgiveness component. The company calculated credit will be applied as a single lump sum payment posted directly to a household's service account. The LEAP credit will be posted to the household's service account when received from the State LEAP office. The arrearage forgiveness component of this program operates independently of the credit portion of the program.

Eligible low-income residential customers must apply and be accepted every year into the CAP program. Participation in CAP one year does not guarantee the ability to participate in subsequent years, nor does participation in one year give participant's priority in subsequent years.

Pursuant to 4 CCR 723-4-4412(b) the CAP will be phased in over the course of two (2) years. The phase in schedule is as follows:

Phase 1: Eligible households are limited to those with a household income at or below one hundred twenty-five percent (125%) of the current federal poverty level during the first year of operation.

Phase 2: Eligible households are limited to those with a household income at or below one hundred fifty percent (150%) of the current federal poverty level during the second year of operation.

The following sections detail program specifics.

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**NATURAL GAS RATES
GAS SERVICE LOW-INCOME PROGRAM**

Household Tier Placement

Upon enrollment in the CAP and receipt of information from the Colorado State LEAP office, each eligible household will be placed into one of three benefit tiers based on a combination of the estimated gross annual income as a percentage of the Federal Poverty Level and the number of full time residents that live within each household. The three benefit tiers are as follows:

Tier 1:

Households with an annual income at or below 125% of the Federal Poverty Level as established in the HHS Federal Poverty Guide will be placed in the first benefit tier. Customers in this tier can have no more than 2% of income be deemed affordable for home heating costs.

Tier 2:

Households with an annual income exceeding 126% of the Federal Poverty Level but not exceeding 150% of the Federal Poverty Level as established in the HHS Federal Poverty Guide will be placed in the second benefit tier. Customers in this tier can have no more than 2.5% of income be deemed affordable for home heating costs.

Tier 3:

Households with an annual income level that exceeds 151% of the Federal Poverty Level but does not exceed 185% of the Federal Poverty Level as established in the HHS Federal Poverty Guide will be placed in the third benefit tier. Customers in this tier can have no more than 3% of income be deemed affordable for home heating costs.

The program year is June 1 through May 31, and the enrollment period coincides with the LEAP application period of November 1-April 30. The Company will stop taking additional applications on April 30 or when funding has been depleted.

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**NATURAL GAS RATES
GAS SERVICE LOW-INCOME PROGRAM**

Company Credit Calculation

A household's estimated income level will be calculated using a Percentage of Income Plan threshold where the household income level for different numbers of person is adjusted by the federal poverty levels as specified by subparagraphs (1) and (2) of Rule 4412(h)(II)(B)(i) as calculated by the Staff of the Commission. The estimated annual income will be applied to the percentage of income deemed affordable as per the household's applicable Tier. This represents the affordable portion of the household's home heating bill. The credit is determined by subtracting the estimated LEAP payment and the amount deemed affordable for home heating bills from the previous twelve (12) months heating bills for that household. Should the previous twelve months of usage information not be available to the company, the Company will estimate usage based on similar homes in the service territory.

The Company credit will be applied to each household's service account within five (5) business days of receipt of the completed application.

Arrearage Forgiveness

Pursuant to 4 CCR 723-4-4412(c)(I)(D), the Company will also institute an arrearage forgiveness program that is designed to reduce CAP participants arrearage amounts to \$0.00 within twelve (12) month period.

Participants must have outstanding arrearages at the time of enrollment in the Arrearage Forgiveness component of the program. Upon acceptance into the program, existing outstanding arrearages will be frozen through April 30, the end of the enrollment period. At the end of the enrollment period, any remaining LEAP funds available on the account will be applied toward the frozen arrearage and any remaining arrearage will be forgiven by the Company.

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NATURAL GAS RATES
GAS SERVICE LOW-INCOME PROGRAM

Arrearage Forgiveness Contd.

In the event that a participant fails to pay the monthly charges during the CAP year for which they are liable, the service account will be removed from the arrearage forgiveness portion of the program at which point the service account is subject to existing company policies in its regular collection cycle. Removal from the arrearage forgiveness portion program does not remove the household from the bill credit portion of the CAP.

The arrearage forgiveness portion of the program, whether it is completed or not, is available to each service account once per lifetime.

By enrolling in CAP, participants understand and accept the inherent conditions under which the arrearage forgiveness program currently operates. In the event that the Company decides to change a component of the arrearage forgiveness program, customers will be notified and given the option to opt out of the program within sixty (60) days of notification to the Colorado Public Utilities Commission ("PUC") that the Company plans on implementing the program changes.

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**NATURAL GAS RATES
GAS SERVICE LOW-INCOME PROGRAM**

Cost Recovery

All rate schedules for natural gas service are subject to a CAP charge designed to recover the direct costs of the Low-Income Program. In accordance with 4 CCR 723-4-4412(e)(III) the Company is allowed to recover certain costs associated with the program. A monthly charge applied to all residential and commercial rate classes pursuant to 4 CCR 723-4-4412(c)(II)B will be phased in over three years beginning on June 1.

The phase-in rate structure is as follows:

- Phase 1/Year 1 – \$.25 per month
- Phase 2/Year 2 – \$.28 per month
- Phase 3/Year 3 – \$.315 per month

Refund

Total program cost will be calculated after April 30 of each year. In the event of an over collection of funds, the Company will provide an adjustment refund to all customers posted in the month of June. The refund will be calculated by dividing the total over collected funds by the total number of residential and commercial customers as of April 30 of that year.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL STATEMENT**

The following Rules and Regulations, filed with The Public Utilities Commission of the State of Colorado as part of the natural gas tariff of the Company, set forth the terms and conditions under which natural gas service is supplied and govern all classes of service in all territory served by the Company. They are subject to termination, change, or modification, in whole or in part, at any time as provided by the rules of said Commission.

Service furnished by the Company is also subject to the Rules and Regulations of the Public Utilities Commission of the State of Colorado. Copies of the Company's rules are available for any customer's inspection at the offices of the Company.

Any waiver at any time of the Company's rights or privileges under these Rules and Regulations will not be deemed a waiver as to any breach or other matter subsequently occurring.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL**

DEFINITION OF TERMS

Billing Unit - A quantity of gas expressed in energy units, either therms or dekatherms, depending on the rate class.

British Thermal Unit (Btu) - One (1) British thermal unit (International Table), which is the amount of energy equivalent to 1,055.056 Joule, as specified in Gas Processors Association Publication 2145-93 ("Table of Physical Constants of Paraffin Hydrocarbons and other Components of Natural Gas") or subsequent amendments as may be adopted by the Company. One (1) MMBtu shall mean one million (1,000,000) Btu.

Commission - "Commission" shall mean the Public Utilities Commission of Colorado.

Company - "Company" shall mean Colorado Natural Gas Inc.

Construction Costs of Distribution Facilities - The combined costs of all facilities necessary to the Distribution Extension or Distribution Reinforcement, including satisfactory rights-of-way.

Construction Allowance - That portion of necessary construction made by the Company at its expense.

Construction Payment - Amount advanced by Applicant to pay all construction costs in excess of Construction Allowance.

Construction Payment Agreement - An option to Permanent Service Applicants to have Company advance to Applicant the Construction Payment amount for a specific term.

Contract Demand - "Contract Demand" (CD) shall mean the daily quantity of gas which the Company agrees to furnish and for which the customer agrees to pay.

Contract Year - "Contract Year" shall mean a 12 month period ending September of each year except as otherwise stated in the Service Agreement or contract between Customer and Company.

Cubic Foot of Gas (cf) -

- a) For the purpose of gas property determination, one cubic foot of gas shall mean one "standard cubic foot" (scf) of gas, which is the volume of water-free gas occupying a space of one (1) cubic foot at standard conditions.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL**

DEFINITION OF TERMS – CONT'D

Cubic Foot of Gas (cf) - CONT'D

- b) For the purpose of gas volume determination, one cubic foot of gas shall mean the amount of gas which occupies a volume of one (1) cubic foot at the actual metering pressure and temperature
- c) For the purpose of gas administration (balancing, billing, reporting), suitable correction factors for each rate class shall be applied to the determined volumes.
- d) Ccf means one hundred (100) cubic feet.
Mcf means one thousand (1,000) cubic feet.
Mmcf means one million (1,000,000) cubic feet.

Curtable Obligation – “Curtable Obligation” shall mean those interruptible gas quantities which Company has agreed to deliver to any Interruptible Customer in any Contract Year.

Curtable Requirement – “Curtable Requirement” shall mean those estimated interruptible gas quantity requirements of an Interruptible Customer.

Curtailement – The discontinuance of transportation or sales service as a result of the inability of Company to provide such service due to non-receipt of Shipper's Gas or the lack of availability of Company's interruptible gas supply respectively.

Customer – “Customer” shall mean any person or entity that uses sales or transportation services provided by Company for direct use.

- (a) Direct - A "Direct Customer" purchases gas for its own use.
- (b) Residential/Small Commercial/Agricultural Customer – Customers receiving service under any of the Company's Rate Schedules who use meters rated at less than 500 cubic feet per hour.
- (c) Transportation - A "Transportation Customer" purchases capacity on Company's system and is responsible for procuring its own natural gas supplies.

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RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL

DEFINITION OF TERMS – CONT'D

Dekatherm - One Dekatherm (Dth) is the energy equivalent to 10 therms or 1,000,000 Btu (1 MMBtu).

Delivery Point(s) - The point(s) where Company delivers gas to the Receiving Party.

Demand - "Demand" shall mean the firm daily quantity of natural gas Company is obligated to deliver and Customer is entitled to receive.

(a) Contract Demand - "Contract Demand" shall mean the maximum firm daily quantity of natural gas Company is obligated to deliver on any day to Customer and Customer is entitled to receive under any firm rate schedule in accordance with the executed contract or Service Agreement.

(b) Total Demand - "Total Demand" shall mean the maximum firm daily quantity of natural gas Company is obligated to deliver on any day to Customer and Customer is entitled to receive under all firm rate schedules cumulatively.

Distribution Extension - Distribution or supply main, including all appurtenant facilities, except meters, meter installations and regulator facilities, necessary to supply service to additional customers.

Distribution Reinforcement – Increase in size or number of existing facilities necessitated by Applicant's estimated gas requirements.

Extension Completion Date - The date on which the construction of a Distribution Extension or Distribution Reinforcement is completed as shown by the Company's records.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL**

DEFINITION OF TERMS – CONT'D

End User - The party or parties that ultimately consume(s) the supply of natural gas.

Energy - The energy content of a given quantity of gas, expressed in units of Btu, Therm or Dekatherm.

Firm Capacity - The maximum Peak Day Quantity(s) contracted by a Customer to reserve space in Company's System, expressed in MMBTU.

Firm Requirement - "Firm Requirement" shall mean those estimated firm gas quantity requirements of a Direct Customer for a Contract Year.

Firm Supply - The firm Peak Day Quantity(s) contracted by a Shipper to reserve supplies of natural gas in the event that adequate supplies of Shipper's Gas are not available for receipt by Company.

Heating Value - The higher (gross) heating value of the gas expressed in Btu/scf, and shall be on a dry basis except as otherwise specified herein.

Local Pressure Base - "Local pressure base" or LPB, shall mean the average atmospheric pressure as determined by the Company plus a pressure of one-quarter pound per square inch (0.25 psi).

Meter Location - The physical location of the gas meter measuring the amount of gas supplied to customer. Meter locations in all instances will be determined by Company and will be located so as to be accessible to Company's meter readers at all times.

Meter Piping - Pipe and fittings necessary to extend from end of service lateral to meter location, including the pipe extending from the initial meter location to additional locations in the same building except in the case of a meter header.

Normal Service Pressure - The atmospheric pressure plus a pressure of six inches water column, plus or minus two inches water column.

Point of Delivery - Point where the Company's gas facilities are first connected to the gas facilities of the customer. The location of the point of delivery will be determined by Company in accordance with standard practice or as individual circumstances may dictate.

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RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL

DEFINITION OF TERMS – CONT'D

Psia - Psia shall mean pressure in pounds per square inch absolute.

Psig - Psig shall mean pressure in pounds per square inch gauge.

Receipt Point(s) - The point(s) of interconnection between the facilities of the Company and the interconnecting party(s) wherein the Company receives gas, or any other contractual source(s) of gas supplies.

Receiving Party(s) - The party or parties that receive gas from Company at the Delivery Point(s).

Refund of Construction Payment - Amount of Construction Payment returned to customers or assignees by the Company.

Service Laterals - The supply pipe extending from the distribution main to and including the first valve or cock on the main side of the meter.

Standard Conditions - A standard temperature base of 60°F and a standard pressure base of 14.73 psia.

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RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL

DEFINITION OF TERMS – CONT'D

System - The pipelines, compressor stations, regulator stations, meters, gas processing facilities and other related facilities owned by Company and utilized in providing sales and transportation services.

Total Annual Quantity - "Total Annual Quantity" shall mean the maximum quantity of natural gas Company is obligated to deliver to Customer and Customer is entitled to receive from Company during each Contract Year under all executed Service Agreements under which Customer purchases gas.

Year - A period of 365 consecutive days or 366 consecutive days if such period includes February 29, unless otherwise specified.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL**

BENEFIT OF SERVICE

An application for natural gas service may be made at any office of the Company. The Company may require any applicant to sign an Application Contract before service is supplied. However, the use of natural gas service constitutes an agreement under which the user receives natural gas service and agrees to pay the Company therefore in accordance with the applicable rate schedules, rules and regulations. Each person of full legal age who resides at the premises to which service is delivered shall be deemed to receive benefit of service supplied and shall be liable to the Company for payment, subject to conditions hereinafter stated, whether or not service is listed in his/her name. The primary obligor for payment is the applicant or user in whose name service with the Company is listed (the customer of record). The Company is obligated to pursue reasonable and timely efforts to effect payment by or collections from the customer of record. In the event such efforts are unavailing, and it is necessary for the Company to effect payment by or collection from a user who is not the customer of record by transfer of an account or otherwise, the Company shall give prior written notice to said user that he/she may factually dispute the applicability of the benefit of service rule stated in this paragraph to his/her specific situation by making written complaint to the Public Utilities Commission. The benefits and obligations of the agreement for service may not be assigned without written consent of the Company. A separate agreement will be made for each class of service at each separate location.

During a period of vacancy in a rental property, the landlord or property owner may contact the Company verbally or in writing to request that natural gas service be transferred to his/her name. Upon such application by the landlord or property owner, the landlord or property owner becomes the customer of record and service will be provided in the name of the landlord or property owner.

CHOICE OF RATES

The Schedule of Rates is on file at the offices of the Company and available to applicant for service. Applicant shall elect under which rate schedule service shall be supplied subject to the terms and conditions of the individual rate schedule. When there are two or more rate schedules applicable to any class of service Company will, upon request of applicant, explain the conditions, character of installation or use of service governing the several rate schedules and assist in the selection of the rate schedule.

Applicant, however, shall be responsible for the final selection of said rate schedule and Company assumes no liability therefore.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL**

CHARGES FOR RENDERING SERVICE

Appropriate charges to customers will be made at the time service is initiated or restored, or in the event that service at a specific location is transferred from one customer to another. Charges will also be made to customers for all service work performed for customers on customer's premises except for gratuitous services provided by Company. Service work performed at other than regular working hours shall be subject to overtime rates. Charges are set forth on the tariff sheet entitled Schedule of Charges for Rendering Service. These charges are to offset Company's costs for such service work and transactions and are in addition to all other customer charges for utility service, for customer deposits and for required charges under Company's filed extension policy.

Gratuitous services to customers by the Company will not be charged to the customer. Such gratuitous services are limited to the following:

1. All emergency calls where permanent materials and facility replacement is not performed.
2. Bill investigations.
3. Customer service complaint investigations.
4. Changing customer's equipment due to changes in service characteristics, not, however, including changes necessary to convert customer's equipment to natural gas service from an alternate fuel.
5. Maintenance of Company facilities.
6. Relight pilots and perform other services resulting from outages on Company's system.

To compensate Company for the cost of processing bad checks, the Company will make a charge to any customer whose check for payment to the Company is returned by the bank as not payable. The amount of the charge is stated on the tariff sheet entitled Schedule of Charges for Rendering Service.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL**

MONTHLY BILLS

Bills for service will be rendered monthly. The Company may provide the option of electronic billing in lieu of a typed, or machine printed bill, upon the customer's request and at no additional charge to the customer. The term "month" for billing purposes means the period between any two consecutive regular readings by the Company of the meters at the customer's premise(s), such readings to be taken as nearly as may be practicable every thirty days. If the Company is unable to read a meter after reasonable effort, the customer will be billed on an estimated usage based on the best available information.

If an initial or final bill is for a period less than the "monthly" billing period described above, billing may be prorated using a ratio of the number of days between actual read dates, to the number of days between the scheduled and actual read dates.

All bills for service, including any excise tax imposed by governmental authority, are due and payable at an office of the Company, or to an authorized agent of the Company fifteen days from the mailing date of bill.

If the customer fails to receive a bill, the Company, upon request, will issue a duplicate. However, failure to receive a bill in no way exempts the customer from payment for service rendered.

When Company for any reason submits a bill to a customer for utility service which contains an estimated reading or a no charge, Company will include on such bill a notice informing customer that the bill does contain an estimate or no charge. Also included on such bill will be a statement requesting customer to call Company so an accurate meter reading may be obtained. In all bills for additional charges resulting from a period of estimated or skipped billings, Company will include a written notice of customer's right to pay such additional charges in installments, where such charges were not the result of meter inaccessibility and customer's refusal to read his own meter.

If a customer gives notice at the Company's office prior to the time that payment is due that the correctness of the bill is disputed, stating reasons therefore, the Company will investigate the dispute. However, such notice disputing correctness of a bill shall not be sufficient reason for withholding payment. If the bill is found to be incorrect, the Company will refund any overpayment or credit the amount of overpayment to the next bill rendered.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL**

TEMPORARY OR INTERMITTENT SERVICE

If service to customer is to be temporary or intermittent, service connection and any main construction involved will be at option of Company as set forth in Company's Service Lateral Connection and Distribution Main Extension Policy.

POSSESSION OF GAS

Company shall be in control and possession of the natural gas deliverable to Customer and responsible for any damage or injury caused thereby, until the same shall have been delivered to Customer at the delivery point or points, after which delivery Customer shall be deemed to be in exclusive control and possession thereof and responsible for any such injury or damage.

CUSTOMER'S INSTALLATION

Concurrently with or prior to requesting gas service the customer shall submit to Company on forms supplied by Company, written data detailing the service requested, to enable Company to determine if the type of service, quantity, capacity, and pressure desired by customer is available; to determine if extensions of, or additions to, Company's facilities will be required; and to secure definite location of the point of delivery, i.e., point where Company's natural gas facilities will connect to those of customer. Before any additions to or alterations of existing installations are made by customer which will materially affect the amount of service required, or which may require a change in the type of service or the

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
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CUSTOMER'S INSTALLATION – CONT'D

point of delivery, the Company must be notified reasonably in advance thereof as the proposed additions or alterations in order that the Company may first determine if the service desired is available and, if so, that the necessary changes in the Company's facilities may be arranged for and completed.

All gas piping and other natural gas equipment on the customer's side of the point of delivery will be furnished, installed and maintained at all times by the customer in conformity with good practice and with the requirements of the Standards of the National Board of Fire Underwriters for the Installation, Maintenance and Use of Piping, Appliances and Fittings for City Gas, any Municipal Ordinances or Codes. Company accepts no liability for injury or damage caused by defects in customer's piping or equipment.

No equipment or apparatus will be connected to Company's distribution system the operation of which may cause such an abnormal pressure variation in said system as to impair or endanger the natural gas service supplied to other customers on said system or to adversely affect operation of Company's metering or pressure regulating equipment. In the event that equipment having a high instantaneous demand such as a gas engine is to be connected, customer shall provide adequate pulsation or surge tank, shutoff valves and other protective devices as may be required by Company. Customer shall, in every case, confer with Company before any equipment or apparatus requiring extremely close regulation of pressure or quality of gas is connected to Company's distribution systems.

When the Company is required by order of properly constituted authorities to move or alter its existing distribution system, thereby necessitating a change in the location of the service lead and the point of delivery, the Company will designate a new point of delivery and bear the expense of relocation of Company facilities to that point, and customer, at his expense, will bring his piping to that new point of delivery.

Service will be delivered to the customer for each premises at one point of delivery designated by the Company. For the mutual protection of the customer and the Company, only authorized employees or agents of the Company are permitted to make connections between the Company's gas service and the customer's gas piping.

The Company reserves the right to require the customer to reimburse the Company for any cost due to a change in meters or other apparatus or in their location made at the request of the customer. Meters and other equipment of the Company will be removed or relocated only by employees or agents of the Company.

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**RULES AND REGULATIONS
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GENERAL**

PROTECTION OF SUBSURFACE FACILITIES

Customer shall consult Company regarding necessity of changing location of gas service before building any improvement, addition or structure over the gas service pipe or in the vicinity of Company's facilities. Customer shall notify Company before undertaking any type of excavation or change in surface grade of customer's property, or operating or permitting the operation of any power excavating or ditching equipment in the proximity of Company's underground gas service on customer's premises.

LIABILITY

All mains, services, apparatus, instruments, meters, regulators and materials supplied by Company at its expense or under its standard policies will be and remain the property of the Company. Company's property shall not be worked upon or interfered with by customer or other unauthorized persons.

The customer shall be responsible for any damage to or loss of Company's property located on customer's premises, caused by or arising out of the negligence of customer or customer's agents, employees, licensees, or invitees, or the misuse or unauthorized use of Company's property by customer or customer's agents, employees, licensees, or invitees. The cost of making good such loss and/or repairing such damage shall be paid by the customer. Customer shall be held responsible for injury to Company's employees if caused by customer's negligence.

The customer shall be responsible for any injury to persons or damage to property occasioned or caused by the negligence of the customer or any of customer's agents, employees, licensees or invitees in installing, maintaining, operating or using any of the customer's piping, equipment, machinery or apparatus, and for injury and damage caused by defects in the same.

Company shall not be liable for injury to persons, damage to property, monetary loss, or loss of business caused by accidents, acts of God, fires, floods, strikes, wars, authority or orders of government, or any other causes and contingencies beyond its control.

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**RULES AND REGULATIONS
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INDEMNITY TO COMPANY

Customer shall hold the Company harmless and indemnify it against all claims and liability for injury to persons or damage to property when such damage or injury results from or is occasioned by the facilities located on customer's side of the point of delivery unless caused by the negligence or wrongful acts of Company's agents or employees. "Customer" and "Company" as used herein shall include without limitation the agents, employees, licensees or contractors of each of said parties, or persons acting with permission or authorization from the respective parties.

PRIORITY OF SERVICE

In case of a shortage of supply, Company shall have the right to curtail the availability of service under any rate schedule, subject to the approval of the Commission. Specific rules and regulations setting forth limitations on existing and new customers in the event of natural gas supply shortages are set forth elsewhere in the tariff. In general, it shall be the policy of the Company to allocate its natural gas supplies in a manner consistent with a priority system granting preference to customers receiving service under Schedule RG, then Schedule CG and Schedule TF, then Schedule TI.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL**

DIVERSION OF NATURAL GAS

The existence of natural gas consuming devices installed ahead of the meter or any tampering or interfering with pipes, devices, or equipment connected to Company's distribution system or the damage to, alteration, or obstruction of any meter (including the breaking of meter seals) which will permit or make possible the use of natural gas without its proper registration on Company's meter shall constitute prima facie evidence of diversion of natural gas by the customer in whose name service is being rendered, or by the person benefiting from the use of such diverted natural gas. In the event that a Company check meter registers more natural gas in the same interval of time than does the meter installed at customer's premises after such meters shall have been tested and found to be registering within the limits of accuracy prescribed by the Public Utilities Commission of the State of Colorado, such fact shall also constitute prima facie evidence of diversion of natural gas.

In such instances, Company will in any reasonable manner, compute the amount of diverted natural gas. Where Company is unable to make such count, the computation will be based upon any other available information, or estimated. Such computation or estimate shall be made for the period beginning with the date on which customer began using natural gas at the location where the diversion occurred, unless evidence proves the diversion commenced at a later date, and ending with the date on which such diversion ceased. Bills for natural gas diverted, based upon the aforesaid computation or, where necessary, upon estimation, under the applicable rate in effect during the period of diversion, plus the cost of investigating and confirming such diversion, disconnecting service, equipment damages and other related items shall be due and payable in accordance with the Company's tariffs.

If Service has been discontinued for failure to comply with any of the Company's rules and regulations and a diversion of natural gas has been confirmed subsequent to discontinuance, the Company will not render service to customer, or to any other person for customer's use, until:

- (1) The Customer has paid or made appropriate arrangements (when applicable) with the Company for the payment of all charges relating to the diversion of natural gas and for all past due bills for service rendered at the same location; and
- (2) The Company confirms that the cause for the discontinuance of natural gas, if other than for non-payment, has been cured. Payment arrangements shall not be available in any case where the customer has defaulted on an installment payment arrangement.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL**

DIVERSION OF NATURAL GAS – CONT'D

If service has been discontinued for diversion of natural gas and the Customer has in the past refused or restricted access to the Company's meter reading equipment, the Company will not render service to the Customer or to any other person for the Customer's use, at the same location until the Customer has arranged with the Company for the installation of, or has installed at the Customer's expense, such entrance and service equipment as is necessary to prevent further diversion of natural gas.

The foregoing rules pertaining to diversion of natural gas in no way affect or modify any action or prosecution under the laws of the State of Colorado.

Customers who wish to dispute any action of the Company may file an informal complaint with the Colorado Public Utilities Commission, External Affairs Division, in writing at 1560 Broadway, Suite 250, Denver, Colorado, 80202, or by telephone at (303) 894-2070 or (800) 456-0858.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
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RESALE OF NATURAL GAS

Natural gas service supplied by the Company is for the exclusive use of the customer. Consequently, the customer will not be permitted by submetering, to determine a quantity of natural gas and resell the same as such to any other person or persons on the customer's premises or for use on any other premises. A master-metered customer may, however, check-meter tenants, lessees, or other persons to whom ultimately the natural gas is distributed for the purpose of reimbursing the master-metered customer by an appropriate allocation procedure. The Company reserves the right to refuse to furnish natural gas service to any customer where the purchase of such service is for the purpose of resale by customer to others. In the event natural gas is resold in conflict herewith, Company shall have the right to discontinue service to customer.

COMPLAINTS

Customers who wish to dispute any action of the Company may file an informal complaint with the Colorado Public Utilities Commission, External Affairs Division, in writing at 1580 Logan St, OL2, Denver, CO, or by telephone at (303) 894-2070 or (800) 456-0858. The Company will investigate promptly all complaints made by its customers and will keep a record of all written complaints which record will include: the name and address of the complainant, the date, the nature of the complaint, and the adjustment or disposition made thereof. This record will be kept at least two years after the date of the complaint.

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RULES AND REGULATIONS
NATURAL GAS SERVICE
STANDARDS

MEASUREMENT EQUIPMENT AND TESTING – CONT'D

Measurement Equipment

The Company will install, maintain, and operate, or cause to be installed, maintained, and operated, measuring stations equipped with flow meters and/or other necessary metering and measuring equipment by which the billing unit of gas received or delivered shall be determined. For gas receipts onto the Company's system the responsible party may be as agreed upon.

Accuracy and Routine Testing

The Company will exercise reasonable means to determine and maintain the general accuracy of all natural gas meters in use. All meters will be tested for accuracy of adjustment and registration before installation and shall be tested in accordance with the test schedule hereinafter set forth and, if inaccuracy is found, such meters shall be adjusted to register within one percent of accuracy.

a: Diaphragm Type Meters

All diaphragm meters shall be tested in accordance with the Commission's Rules and Regulations concerning the service of Gas Utilities. If inaccuracy is found, meters shall be adjusted to register within one percent of accuracy when passing gas at twenty percent of the meter's rated capacity at a differential pressure of one-half inch water column, as soon as practicable.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
STANDARDS**

MEASUREMENT EQUIPMENT AND TESTING – CONT'D

Measurement Errors

If, upon any test, any measuring equipment is found to be inaccurate, such equipment shall be adjusted to measure accurately. In the event any measuring equipment is out of service or is found registering inaccurately and the error is not determinable by test, or by previous recording, receipts or deliveries through such equipment shall be estimated based upon the first of the following methods which is feasible:

- (a) By using the registration of any check meter or meters, if installed and accurately registering, or, in the absence of (a);
- (b) By correcting the error if the percentage of error is ascertainable by calibration, special test, or mathematical calculation, or, in the absence of (a) and (b);
- (c) By estimating the quantity of gas received or delivered based on receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.

GAS BILLING

For the purpose of billing gas, the following billing units shall be used:

- (a) Rate Classes RG and CG. The billing unit shall be energy (Therm). The energy usage shall be calculated by multiplying the determined volume of the gas by the heating value of the gas, and suitable pressure correction factors shall be applied.

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**RULES AND REGULATIONS
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GAS BILLING – CONT'D

- (b) Rate Classes TF, TI. The billing unit shall be energy (Therm or Dth). The energy usage shall be calculated by multiplying the determined volume of the gas by the heating value of the gas, and suitable pressure, temperature and other correction factors shall be applied.

Volume Adjustments

If, upon any test, the measuring equipment in the aggregate is found to be inaccurate by more than two percent (1%), correction of the amount inaccurately determined shall be made pursuant to the provisions for Measurement Errors, herein.

- a. If any meter so tested is found to be more than 1% fast, the Company will adjust the natural gas used, for a period equal to one-half the time since the previous test, and will re-bill the adjusted amounts, provided said adjustment period shall not exceed 2 years, and Company will refund to customer the difference between the bills as rendered for such period and the adjusted bills.
- b. If any meter so tested is found to be more than 1% slow, Company may collect from customer the difference between bills as rendered and corrected bills for a period equal to one-half the time since the previous test, but not to exceed six months.
- c. If any meter is found not to register, to register intermittently, or to partially register for any period, the Company may collect for the gas service used but not registered on the meter for a period limited to six months for Residential/Small Commercial/Agricultural gas service or twenty-four months for all other rate classes. There shall be no limitation for collection in the event of energy diversion or subterfuge.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
STANDARDS**

GAS BILLING – CONT'D

Billing Errors

The Company will exercise all reasonable means to assure accurate computation of all bills for gas service. Customer agrees to accept the Company's accounting for gas measurement and billing. In the event errors in billing occur, Company shall refund to customer the amount of any overcharge having resulted therefrom and, likewise, shall have the right to collect from customer the amount of any undercharge. For Residential/Small Commercial/Agricultural Service, the time period for billing and collection for billing errors shall be limited to six months. For all other rate classes, the period of time for billing and collection of billing errors shall be limited to twenty-four months. The provisions of this tariff sheet shall not apply to meters that have been bypassed or in any way involved in energy diversion or in cases of subterfuge.

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**RULES AND REGULATIONS
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STANDARDS**

GAS PROPERTY DETERMINATION

Gas Properties which may be required for volume measurement or energy determination will be determined by appropriate industry standards or practices, or for gas received onto the system by any other methods as agreed upon. Appropriate industry standards include but are not limited to those referenced herein, and the Company may adopt any subsequent amendments to the standards in the exercise of its reasonable judgment.

Heating Value (Hv) and Specific Gravity

The Hv and specific gravity may be determined by the use of an on-line instrument, a continuous gas sampling device, a spot sample device, or for gas received onto the Company's system by any other method as agreed upon. On-line instruments include a calorimeter, gravimeter, chromatograph, and any similar device. Hv and specific gravity determination by calculation from gas composition will comply with GPA Standard 2172-86, with physical constants per GPA Standard 2145-93. Determination of compressibility factors for use in Hv and specific gravity calculations may be done in accordance with GPA Standard 2172-86, or by any other means consistent with appropriate industry standards or practices.

For the purpose of calculating the Hv from the gas composition for gas receipts, the gas will be assumed dry if the actual water vapor content is less than 7 lb. water per Mmcf. The Company may account for the actual water vapor content in the gas if the content is in excess of 7 lb. water per Mmcf.

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GAS PROPERTY DETERMINATION – CONT'D

Heating Value (Hv) and Specific Gravity – Cont'd

Hv and specific gravity determination will be done at intervals as found necessary in the exercise of the Company's reasonable judgment, but at least on a quarterly basis. For gas delivered, intervals shall not exceed 12 months. For gas received onto the Company's system, intervals shall not exceed 12 months and may be as otherwise agreed upon or required. The Company may apply a known Hv and specific gravity as determined at some upstream or representative location in the Company's system.

For Hv and specific gravity determination by on-line instrumentation applied in conjunction with electronic volume measurement, the Hv signal and specific gravity signal shall be processed by the computer.

For Hv and specific gravity determination by continuous sample, spot sample, and recording chart, the properties applied to volume or energy determination may be based on historical data. This practice may be as otherwise agreed upon for gas received. For Hv and specific gravity determination by chart recording applied in conjunction with conventional chart measurement for gas volumes, the arithmetic average of Hv and specific gravity recorded shall be applied.

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RULES AND REGULATIONS
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GAS PROPERTY DETERMINATION – CONT'D

Determination of Atmospheric Pressure

When the atmospheric pressure is required for volume or energy determination, it shall be determined by appropriate industry standards or practices or for gas received, by methods as agreed upon.

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**RULES AND REGULATIONS
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GAS QUALITY SPECIFICATIONS

Minimum Heating Value

The minimum monthly average heating value of natural gas delivered by the Company shall be 945 Btu/scf.

Thermal Conversion

For purposes of converting to thermal billing equivalents, the Company shall utilize the heat content at the following sample points as determined on a periodic basis, but at least quarterly:

Shaffers Crossing Town Border Station for the Bailey Division. Trout Creek Town Border Station for the Cripple Creek Division.

Customers of the Company shall be assigned one of the above sample points for conversion of their monthly measured volumes to billing thermal equivalents.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY**

These Rules and Regulations set forth the Service Lateral Connection and Distribution Main Extension Policy of the Company available in all territory served by the Company.

GENERAL PROVISIONS

The provisions of this policy are subject to the applicable Rules and Regulations of The Public Utilities Commission of the State of Colorado and to the Company's Rules and Regulations on file with said Public Utilities Commission.

When one or more Applicants request gas service at premises not connected to the Company's distribution system or request an increase in service to premises already connected where such increase necessitates additional investment, Company, after consideration of Applicant's gas requirements, will designate the service requested as Permanent, Indeterminate, or Temporary in accordance with the definitions hereinafter set forth under Distribution Extension Plans A, B and C, respectively, and will construct the extension with reasonable promptness in accordance with the terms of the Distribution Extension Plan applicable.

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COLORADO NATURAL GAS, INC.
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**RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY**

GAS METER AND PIPING INSTALLATIONS

Company will furnish the appropriate meter and regulators to supply Applicant's requirements and install same along with associated meter piping. Applicant will provide all facilities necessary for proper meter and regulator installation in conformance with Company requirements for such installation. Separate charges will be made for meter piping to additional meter locations in the same building except in the case of a meter header.

Title to service lateral, meter piping, meters and regulators shall at all times vest in Company.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY**

CONSTRUCTION ALLOWANCE AND CONSTRUCTION PAYMENTS – CONT'D

PLAN A - PERMANENT SERVICE – CONT'D

In the event that Applicant sells the subject property or no longer requires gas service at the location, Applicant shall be required to pay in full all amounts payable under the Construction Payment Agreement. Except as provided herein, the rights and obligations under the Construction Payment Agreement shall not be assigned or transferred to a subsequent property owner or customer without the advanced written approval of the Company. The Company shall not be required to approve any such assignment or transfer unless, in the Company's opinion, the prospective assignee or transferee is financially qualified to assume the responsibilities thereunder and provides the Company with all documentation required by the Company reflecting the assignee or transferee's agreement to be bound by the terms and conditions thereof. In the event no such transfer or assignment is approved by the Company, the continuation of gas service at the subject location to any subsequent property owner or customer shall be conditioned upon payment in full having been received by the Company pursuant to the terms and conditions of any previous Construction Payment Agreement.

PLAN B - INDETERMINATE SERVICE

Plan B is applicable to gas Distribution Extensions for service which is of an indefinite or indeterminate nature such as that required by, but not limited to (a) real estate subdivisions, and development of property for sale; (b) mines, quarries, sand pits, oil wells, and other enterprises of more or less speculative characteristics; or (c) all other service to which neither Plan A nor Plan C is applicable.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY**

CALCULATION AND PAYMENTS OF REFUNDS – CONT'D

PLAN A - PERMANENT SERVICE – CONT'D

Additional customers of an Indeterminate Service or Temporary Service classification can be served from a Plan A extension on which unrefunded customer Construction Payments remain only after first allocating a portion of the construction costs of the Plan A extension on a permanent basis to such Indeterminate Service or Temporary Service customers. The portion of customer Construction Payments required from such Indeterminate Service or Temporary Service customers resulting from said allocation will correspondingly reduce the responsibility of customers on the Plan A extension and become a part of the annual refund made to such customers.

PLAN B - INDETERMINATE SERVICE

Construction Payments made under a Plan B extension for real estate or land development shall be subject to refund without interest during the five- year period following the Extension Completion Date as follows:

At the end of each year for five-years following the Extension Completion Date a refund will be made based on the additional Construction Allowances for additional customers served from the extension after first increasing the original extension costs and customer payment requirements to reflect additional service lateral investments.

Customers of a Permanent Service or Temporary Service classification can be served from a Plan B extension on which Construction Payments remain only after first allocating a portion of the costs of the Plan B extension on a permanent basis to such Permanent Service or Temporary Service customers. The portion of customer Construction Payments required from said Permanent Service or Temporary Service customers resulting from said allocation will then become a part of an annual refund as determined by Company to be made to customers on the Plan B extension, and would be in addition to the amount of refund based on Construction Allowance being made otherwise.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY**

CALCULATION AND PAYMENTS OF REFUNDS – CONT'D

PLAN C - TEMPORARY SERVICE

No refund of Construction Payments for Temporary Service will be made unless the subject extension is subdivided by the addition of Permanent Service or Indeterminate Service customers or in the event that the Temporary Service customer is reclassified as an Indeterminate Service customer as follows:

Customers of a Permanent Service or Indeterminate Service classification can be served from a Plan C extension only after first allocating a portion of the costs of the Plan C extension on a permanent basis to such Permanent Service or Indeterminate Service customers. The portion of customer Construction Payments required from said Permanent Service or Indeterminate Service customers resulting from said allocation will be refunded to customers on the Plan C extension.

A Temporary Service customer continuing to require service after an eighteen-month period will be subject to reevaluation as to the nature of service. If appropriate, such customer and the associated construction will be reclassified as Indeterminate Service with costs and refund considerations being reevaluated as Indeterminate Service based on the original extension costs and completion dates. In no event shall the total amount refunded to any customer exceed the total Construction Payment made by that customer.

REINFORCEMENTS

Where gas distribution system reinforcement is required for serving a residential Applicant's total requirements, Company will make such reinforcements at its expense. For other classes of service any required reinforcement shall generally recognize the construction cost, Construction Allowance and customer Construction Payment provisions of this extension policy in accordance with individual agreements between Applicant and Company based upon the amount, character and permanency of the load.

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**RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY**

EXCEPTIONS

1. In situations where the extension is of such length and the prospective customer(s) revenue temporarily or permanently to be derived therefrom is so limited as to make it doubtful whether necessary fixed costs on the investment would be earned, Company reserves the right to require Applicant or Applicants to pay Company, in advance, all construction costs and, in addition, contract to pay Company annually an amount to cover the cost of depreciation, taxes, operation and maintenance of such facilities.
2. In situations involving extensions of considerable length, where the economics are improved by existing customers that would convert to natural gas service, the Company may provide service under the following conditions: individual construction payments will be based upon the estimated construction costs and the existing and potential customers units over a given time period not to exceed five (5) years. The estimated construction costs will include the cost of funds utilized during said time period. The extension will remain open until either the existing and potential units are connected or the time period used to estimate the Construction Payment has elapsed, whichever is longer. Construction Payments made in accordance with exception Number 2 will not be subject to refund.

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OPTIONAL EXCESS FLOW VALVES

Customers of record with new and replaced residential service lines serving a single residence will be notified of the availability for installation of an Excess Flow Valve (EFV) meeting Department of Transportation prescribed performance standards as well as the related safety benefits and costs thereof. (Title 49 CFR, Part 192.383) While the Company will install the EFV at the customer's request, it is the responsibility of the customer of record to pay all costs associated with the installation thereof. For customers requesting installation on a new or replacement residential service line, the cost of installation is as set forth on Sheet Nos. 15 and 17 of this tariff.

An existing customer of record that requests that an EFV be installed on an existing residential service line serving a single residence shall be responsible for all of the Company's actual costs of the equipment and installation thereof, including but not limited to the fully loaded labor, equipment, and material costs for the removal and repair of asphalt, concrete, sod, landscaping and piping.

If a customer of record later wishes to have the EFV replaced, repaired, removed or deactivated that customer of record shall be responsible for all of the Company's actual costs of such work, including but not limited to the fully loaded labor, equipment, and material costs for the removal and repair of asphalt, concrete, sod, landscaping and piping.

The Company shall not be liable for any injury or damage to persons or property arising directly or indirectly out of the installation, operation, repair or replacement of the EFV.

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GENERAL TERMS AND CONDITIONS
NATURAL GAS SALES AND SERVICE
RESIDENTIAL

These General Terms and Conditions apply to Residential Service in all territory served by the Company.

DEFINITION

Residential Service is the furnishing of natural gas for the exclusive use of the individual customer for domestic purposes, e.g., cooking, water heating, space heating and clothes drying, in a private home or individual living unit where only one household is served through a single meter. Service to buildings appurtenant to the residence including garages, barns, and other minor buildings for use of the residents may also be served through the residential meter. Each family dwelling place or housekeeping unit shall be considered as a separate living unit.

CLASSIFICATION OF SERVICE

For purpose of designation, service is classified by type of use as follows:

- a) Residential Service is the use of natural gas for all general domestic purposes.

SPECIAL RULES

Residential Service rates are not applicable to service for commercial enterprises, except as specifically provided herein. Commercial enterprises will include but not be limited to clubs, fraternities, sororities, lodges, hotels, apartment and rooming houses, motels, mobile home parks, campgrounds, multi-family dwellings where more than one dwelling or one living unit is served through a single meter, schools, municipal buildings, churches, eleemo-synary institutions, greenhouses, dairies, manufacturing, agricultural, livestock production, mining, oil and gas extraction, construction, communication, transportation, etc.

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GENERAL TERMS AND CONDITIONS
NATURAL GAS SALES AND SERVICE
RESIDENTIAL

RESIDENTIAL DEPOSITS AND REFUNDS – CONT'D

All new applicants for residential service, including former customers who have had a discontinuity in service shall be subject to the following deposit considerations;

(1) Applicants who have previously received service from the Company for at least nine (9) consecutive months within the last three (3) years and who maintained a satisfactory credit record during the most recent nine (9) consecutive months of previous service, will be classified as an "old customer" and will not be required to make a residential deposit. A satisfactory credit record is defined as no discontinuance of service during the most recent nine (9) consecutive months of previous service and if service was not discontinued, less than three (3) notices of discontinuance were issued during that time.

(2) If applicant for service does not meet the above requirement, Company will classify applicant as a "conditional customer," and will require the deposit of a sum no greater than an estimated ninety days bill, based on actual previous winter usage wherever possible. Such deposit is not an advance payment or partial payment of any bill for service, but is security for payment of bills for service, to be applied against unpaid bills only in the event service is discontinued.

(3) Deposits shall be refunded after a twelve month period if no delinquency resulting in the issuance of a written notification of discontinuance of service to the customer has occurred. Thereafter, review will be made annually or upon customer request to determine if customer is eligible for refund. Refunds will otherwise be made only at such time as service is discontinued and all outstanding bills have been paid.

(4) Interest at the rate of 0.34 percent per annum shall be paid during the period January 10, 2013 through December 31, 2013 on customer deposits, either in cash or by a credit to the customer's account. Interest will be paid upon refund of the deposit or annually upon request of a customer. The interest rate is subject to change January 1 each year in accordance with the rules of The Public Utilities Commission of the State of Colorado. Whenever the interest rate is changed, deposits held by the Company shall earn interest at the new rate for the portion of time the deposit is held beyond the effective date of the interest rate change.

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GENERAL TERMS AND CONDITIONS
NATURAL GAS SALES AND SERVICE
RESIDENTIAL

RESIDENTIAL DEPOSITS AND REFUNDS – CONT'D

(5) The Company shall allow third-party guarantee arrangements and, pursuant to these tariffs, shall offer the option of a third party guarantee arrangement for use in lieu of a cash deposit. The following shall apply to third-party guarantee arrangements:

- (I) An applicant for service or a customer may elect to use a third-party guarantor in lieu of paying a cash deposit.
- (II) The third-party guarantee form, signed by both the third-party guarantor and the applicant for service or the customer, shall be provided to the Company.
- (III) The Company may refuse to accept a third-party guarantee if the guarantor is not a customer in good standing at the time of the guarantee.
- (IV) The amount guaranteed shall not exceed the amount which the applicant for service or the customer would have been required to provide as a cash deposit.
- (V) The guarantee shall remain in effect until the earlier of the following occurs: it is terminated in writing by the guarantor; if the guarantor was a customer at the time of undertaking the guarantee, the guarantor is no longer a customer of the Company; or the customer has established a satisfactory payment record, as defined in the Company's tariffs, for 12 consecutive months.
- (VI) Should the guarantor terminate service or terminate the third party guarantee before the customer has established a satisfactory payment record for 12 consecutive months, the Company, applying the criteria contained in its tariffs, may require a cash deposit or a new third party guarantor.

(6) The Company shall issue a receipt to every customer from whom a cash deposit is received. The Company shall not refuse to return a cash deposit or any balance to which a customer may be entitled solely on the basis that the customer is unable to produce a receipt.

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GENERAL TERMS AND CONDITIONS
NATURAL GAS SALES AND SERVICE
RESIDENTIAL

RESIDENTIAL DEPOSITS AND REFUNDS – CONT'D

The Company shall pay all unclaimed monies, as defined in § 40-8.5-103(5), C.R.S., that remain unclaimed for more than two years to the energy assistance organization. "Unclaimed monies" shall not include (1) undistributed refunds for overcharges subject to other statutory provisions and rules and (2) credits to existing customers from cost adjustment mechanisms.

(I) Monies shall be deemed unclaimed and presumed abandoned when left with the Company for more than two years after termination of the services for which the cash deposit or the construction advance was made or when left with the utility for more than two years after the cash deposit or the construction advance becomes payable to the customer pursuant to a final Commission order establishing the terms and conditions for the return of such deposit or advance and the utility has made reasonable efforts to locate the customer.

(II) Interest on a cash deposit shall accrue at the rate established pursuant to Section 4 of this Rule commencing on the date on which the utility receives the cash deposit and ending on the date on which the cash deposit is paid to the energy assistance organization. If the Company does not pay the unclaimed cash deposit to the energy assistance organization within four months of the date on which the unclaimed cash deposit is deemed to be unclaimed or abandoned, then at the conclusion of the four-month period, interest shall accrue on the unclaimed cash deposit at the rate established pursuant to Section 4 of this Rule plus 6%.

(III) If payable under the Company's line extension tariff provisions, interest on a construction advance shall accrue at the rate established pursuant to Section 4 of this Rule commencing on the date on which the construction advance is deemed to be owed to the customer pursuant to the Company's extension policy and ending on the date on which the construction advance is paid to the energy assistance organization. If the Company does not pay the unclaimed construction advance to the energy assistance organization within four months of the date on which the unclaimed construction advance is deemed to be unclaimed or abandoned, then at the conclusion of the four-month period, interest shall accrue on the unclaimed construction advance at the rate established pursuant to Section 4 of this Rule plus 6%.

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GENERAL TERMS AND CONDITIONS
NATURAL GAS SALES AND SERVICE
RESIDENTIAL

DISCONTINUANCE OF SERVICE BY COMPANY – RESIDENTIAL

The discontinuance of service shall be handled in accordance with Commission Rule
4 CCR 723-4 4407.

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GENERAL TERMS AND CONDITIONS
NATURAL GAS SALES AND SERVICE
RESIDENTIAL

RESTORATION OF SERVICE – RESIDENTIAL

Service which has been terminated due to failure to pay or make arrangements for payment of bills for service rendered will be restored if customer pays all applicable collection or reconnection charges, enters into installment plan arrangements or modified budget billing arrangements and makes the first installment payment. This provision will not apply in cases where termination has occurred due to breached arrangements. If service is terminated after breach of arrangements, service will be reinstated only after customer has made payment in full of all amounts owed, including any collection or reconnection charges and after posting any deposit required for service.

Service also will be restored upon receipt of a valid medical certificate and will not be discontinued again until said medical certificate, or any valid extension thereof, has expired. Where service has been discontinued as set forth in these Rules and Regulations, Company shall restore such service within 12 hours after elimination by customer of the cause for discontinuance, unless extenuating circumstances prevent restoral. Extenuating circumstances includes, but is not limited to, the requirement that the customer or someone designated by the customer be at the premises at the time of restoral.

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GENERAL TERMS AND CONDITIONS
NATURAL GAS SALES AND SERVICE
RESIDENTIAL

BUDGET BILLING PLAN

Customers served under Residential/Small Commercial/Agricultural service rates who have no Notice of Discontinuance of Service pending may elect, at their option, to pay monthly bills for service on a Budget Billing Plan beginning with any billing month. Any customer electing the Budget Billing Plan will pay a monthly amount equal to the total of his most recent twelve months' bills divided by a current calculation factor. This calculation factor is subject to change by the Company as conditions warrant but, will neither exceed twelve nor be less than ten. Said monthly payment shall be made for eleven successive months with the twelfth month's payment being a settlement amount equal to the difference between the total of the prior eleven months' payments and the actual billings for the twelve month period. If the settlement amount is a credit balance the Company will issue a check to the customer in the amount of the credit balance, or the customer may elect to have the credit applied to future billings. If the settlement amount is a debit balance owed by the customer the total balance will be due and payable on the due date shown on the bill for the settlement month, except that in the event the debit balance exceeds \$20, the customer may elect to pay the debit over a two month period with at least one half of the total debit balance payable in the settlement month. The customer may continue on the Budget Billing Plan for succeeding years, in which case the settlement month for each year will occur in twelve month cycles starting with the beginning month.

If a customer electing the Budget Billing Plan fails to pay the budget billing obligation in any month, normal collection procedures shall be applicable for the outstanding budget billing amount. Upon termination of service of a customer on the Budget Billing Plan, the customer is subject to removal from the plan and the entire outstanding amount of the account for actual usage shall be due and payable.

The monthly budget billing amount will be adjusted for changes in the Company's base rates and for unusual changes in GCA levels due to major purchase gas cost changes from the Company's gas suppliers authorized by appropriate regulatory agencies. No adjustment in monthly budget billing amounts will be made for normal GCA changes. Changes in GCA levels shall be considered unusual when such changes would result in a 10% or more increase or decrease in customer's anticipated annual billing for gas service.

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GENERAL TERMS AND CONDITIONS
NATURAL GAS SALES AND SERVICE
COMMERCIAL

These General Terms and Conditions apply to commercial service in all territory served by the Company.

DEFINITION

Commercial service is the furnishing of natural gas for the exclusive use of the individual customer for cooking, water heating, space heating, heat applications and miscellaneous purposes to commercial establishments.

Any establishment engaged in the operation of a business, whether or not for profit, shall be considered as a commercial enterprise. Such enterprises will include but not be limited to clubs, fraternities, sororities, lodges, hotels, apartment and rooming houses, motels, mobile home parks, campgrounds, multi-family dwellings where more than one dwelling or one living unit is served through one meter, schools, municipal buildings, churches, eleemosynary institutions, greenhouses, dairies, manufacturing, agriculture, livestock production, mining, oil and gas extraction, construction, communication, transportation, etc.

CLASSIFICATION OF SERVICE

For purpose of designation, service is classified by type of use as follows:

- (a) Commercial Service is the use of natural gas for all general commercial purposes.
- (1) Small Commercial customers are defined as those customers taking Commercial Service that use meters with a capacity of less than 500 cubic feet of gas per hour.
- (2) Large Commercial customers are defined as those customers taking Commercial Service that use meters with a capacity of 500 cubic feet of gas per hour or more.

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GENERAL TERMS AND CONDITIONS
NATURAL GAS SALES AND SERVICE
COMMERCIAL

COMMERCIAL DEPOSITS AND REFUNDS

Any first-time applicant for commercial service shall be required to make a deposit of an estimated ninety days' bill. Any applicant who is a former customer of the Company but who did not have Commercial Service for at least twenty-four months within the last three years shall be considered a first-time applicant. A former commercial customer of the Company whose previous service was provided for at least twenty-four months within the last three years and whose payment history was satisfactory, shall not be required to make a deposit. Any applicant for commercial service at additional locations will be required to make a customer deposit of an estimated ninety days' bill at the new location unless said applicant has maintained a satisfactory payment record on all other commercial service accounts. Any time a customer changes location, payment history will be reviewed and if not satisfactory, the Company will request a deposit or an additional deposit; total deposit not to exceed an estimated ninety days/ bill at the new location. Satisfactory payment history shall consist of no discontinuance of service for nonpayment, and not more than two Notices of Discontinuance being incurred on any account during the most recent twelve months' period of which non were mailed within the most recent six months. The above deposit requirements are subject to the following considerations:

- 1.) A surety bond or an irrevocable letter of credit from a financial institution will be accepted in lieu of a deposit but must be issued for an amount equal to the required deposit and be issued for a two year period. In the event a customer has not maintained a satisfactory payment record as described in the deposit refund provisions below, a surety bond or letter of credit will be required beyond two years and until such time as a satisfactory payment record is maintained.
- 2.) An applicant for commercial service may have the option of having a commercial credit report obtained by the Company from a commercial credit reporting agency acceptable to the Company. The report must be requested in the exact name to appear on the account.

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GENERAL TERMS AND CONDITIONS
NATURAL GAS SALES AND SERVICE
COMMERCIAL

DISCONTINUANCE OF SERVICE BY COMPANY – COMMERCIAL – CONT'D

Reasonable effort shall consist of: at least two attempts on separate days and at least 24 hours prior to the proposed discontinuance to make telephone contact at such telephone numbers as the customer may provide for such purpose to remind customer of the pending discontinuance and the terms to avoid same; or, at least two attempts by a field collector on separate days, and at least 24 hours prior to the proposed discontinuance, to make personal contact at the location of service to remind 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, at least one of each of the above-described attempts.

Discontinuance of service in accordance with (1) above shall also not occur if: customer makes full payment of outstanding bill, such payment to be made by cash or bona fide check to a Company representative or field employee unless customer has twice previously tendered payment with check which was returned to the Company by the banking institution unpaid, and the second such check was returned within the most recent twelve month period, in which cases payment by cash or certified check is required to avoid termination; or, customer prior to termination pays at least one-fourth of the amount shown on the notice of termination and enters into an installment payment plan arrangement to pay the remaining account balance in equal monthly installments over a period of time not to exceed three months. Installment payments will be due monthly in addition to the amount of the new monthly billing by the due date of each new bill. Failure to make agreed installment payments may result in service being terminated upon fifteen days' written notice and failure to make payment of current amounts due may result in service being terminated 30 days after the due date of the current bill upon written notice of broken arrangements. 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, provided that the original arrangement amount will be paid in no more than three months from the date the original installment payment plan arrangement was entered into.

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GENERAL TERMS AND CONDITIONS
NATURAL GAS SALES AND SERVICE
COMMERCIAL

DISCONTINUANCE OF SERVICE BY COMPANY – COMMERCIAL – CONT'D

(2) If the customer or anyone connected with customer or anyone with customer's knowledge or consent has violated any of the ordinances, statutes, or other lawful regulation of properly constituted authority applicable to customer's natural gas service. The Company does not assume responsibility and will not be held responsible for ascertaining such condition.

(3) If service is found to have been restored by someone other than the Company and the original cause for the discontinuance has not been cured.

RESTORATION OF SERVICE – COMMERCIAL

Service which has been terminated due to failure to pay or make arrangements for payment of bills for service rendered will be restored if customer pays one-half of the amount shown on the notice of termination, all applicable collection or reconnection charges, enters into an installment payment plan arrangement to pay the remaining account balance in equal monthly installments over a period of time not to exceed three months. This provision will not apply in cases where termination has occurred to breached arrangements. If service is terminated after breach of arrangements, service will be reinstated only after customer has made payment in full of all amounts owed, including any collection or reconnection charges and after posting any deposit required for service.

Where service has been discontinued as set forth in these rules, Company shall restore such service within 24 hours after elimination by customer of the cause for discontinuance, unless extenuating circumstances prevent restoral. Extenuating circumstances includes, but is not limited to, the requirement that the customer or someone designated by the customer be at the premissis at the time of restoral.

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7810 Shaffer Parkway, #120, Littleton, CO 80127

Decision Number _____

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COLORADO NATURAL GAS, INC.
 P.O. Box 270868
 Littleton, CO 80127

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**GAS TRANSPORTATION TERMS AND CONDITIONS
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GAS TRANSPORTATION TERMS AND CONDITIONS

GENERAL STATEMENT

The following Gas Transportation Terms and Conditions, filed with The Public Utilities Commission of the State of Colorado as part of the Company's Gas Transportation tariff, set forth the terms and conditions under which Gas Transportation Service is provided and govern all classes of such service in all territory served by the Company. They are subject to termination, change, or modification, in whole or in part, at any time as provided by the rules of The Public Utilities Commission of the State of Colorado. Gas Transportation Service furnished by the Company is also subject to The Public Utilities Commission of the State of Colorado's Gas Transportation Rules and the Company's Rules and Regulations for Natural Gas Service. In the event conflict exists between the Company's Gas Transportation Terms and Conditions and the Company's Rules and Regulations for Natural Gas Service, the Gas Transportation Terms and Conditions shall control.

Any waiver at any time of the Company's rights or privileges under these Gas Transportation Terms and Conditions or under any individual Service Agreement entered into pursuant to this tariff shall not be deemed a waiver as to any breach or other matter subsequently occurring.

SHIPPER AND RECEIVING PARTY(S) ACKNOWLEDGEMENTS

Shipper and each Receiving Party receiving Shipper's gas through the Company's system acknowledges that all service provided to Shipper and the Receiving Party(s) hereunder is for the benefit of the Receiving Party(s), and in the event that Shipper or the Receiving Party fails to make timely payment for any service provided under this schedule, or is in violation of any rule or regulation of the Company or The Public Utilities Commission of the State of Colorado, all service provided to Shipper and Receiving Party shall be subject to termination in accordance with the Company's Rules and Regulations for Natural Gas Service.

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS

Agency Agreement Agreement, through which a Receiving Party authorizes a third party to manage gas transportation service provided by Company to the Receiving Party's end-use facilities. The form is applicable where the Receiving Party has executed a Service Agreement and designates another person as its agent for particular functions, as indicated therein.

Allocation(s) Actual quantity of Shipper's gas supplies, as determined by Interconnecting Party(s), to be delivered to the Company for a specified Service and/or Interconnecting Party's agreement for a specific time period.

Btu. "Btu" shall mean one (1) British thermal unit (International Table), which is the amount of energy equivalent to 1,055.056 Joule, as specified in Gas Processors Association Publication 2145-93 (Table of Physical Constants of Paraffin Hydrocarbons and other Components of Natural Gas) or subsequent amendments as may be adopted by the Company. One (1) MMBtu shall mean one million (1,000,000) Btu.

Capacity Interruption. The discontinuance of transportation service due to Company's inability to provide such service due to capacity constraints on the Company's System. The phrase "Capacity Interruption" shall have the same meaning as "Interruption."

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS- CONT'D

Cubic Foot of Gas. For the purpose of gas volume determination, one "cubic foot" of gas shall mean the amount of gas which occupies a volume of one (1) cubic foot the actual metering pressure and temperature. For the purpose of gas administration (balancing, billing, reporting), suitable correction factors for each rate class shall be applied to the determined volumes. Ccf means one hundred (100) cubic feet. Mcf means one thousand (1,000) cubic feet. Mmcf means one million (1,000,000) cubic feet.

Date of First Delivery. The date when Company first delivers Shippers' gas under a Gas Transportation Service Agreement, at the individual Delivery Point(s), as specified in an Exhibit to the Service Agreement.

Day. A period of 24 consecutive hours, beginning at 10:00 a.m. Mountain Time, or such other consecutive 24-hour period designated by Company.

Dekatherm (Dth). The energy equivalent to 10 therms, or 1,000,000 Btu (MMBtu). One (1) therm is the equivalent to 1,000,000 Btu.

Delivery Point(s). The Point(s) where Company delivers gas to the Receiving Party as specified in an Exhibit to the Service Agreement.

Firm Capacity. The maximum Peak Day Quantity contracted by a Shipper to reserve space in Company's System, expressed in Dekatherms.

Firm Supply. The maximum Peak Day Quantity contracted by a Shipper to reserve supplies of natural gas in the event that adequate supplies of Shipper's Gas are not available for receipt by Company, expressed in Dekatherms.

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS- CONT'D

Imbalance. The difference between the quantity of Shipper's Gas allocated by the Interconnecting Party(s) at the Receipt Point(s) less Fuel Reimbursement and the quantity of gas delivered to the Receiving Party at the Delivery Point(s) for Shipper's account as determined by Company. In the event supplies of Shipper's Gas are not available for receipt by Company but Receiving Party is authorized to receive Backup Supply Sales Gas, the quantity of such gas received from Company shall be subtracted from the quantity of gas consumed by the Receiving Party at the Delivery Point(s) before the existence of an Imbalance is determined.

Imbalance Resolution Gas. The quantity of gas necessary to correct previous months' cumulative Imbalance between Company and Shipper.

Interconnecting Party(s). The point of interconnection between the facilities of the Company and the Interconnecting Pipeline, Local Distribution Company, residue plant, wellhead, or any other physical or contractual sources of Shipper's gas supply.

Lost and Unaccounted For ("L&U") Reimbursement. A quantity of Gas equal to that used by Company for fuel used, and gas lost and unaccounted for in Company's System, stated in terms of a percentage of the quantities received into Company's System, computed and adjusted annually for each calendar year.

Maximum Daily Transportation Quantity. (MDTQ) is the maximum daily quantity of gas expressed in Dekatherms which Company agrees to transport to Shipper as set forth on an Exhibit to the Interruptible Service Agreement.

MMBtu. One million Btu.

Month. The period beginning at 10:00 a.m. on any day of a calendar month and ending at 10:00 a.m. on the same day of the succeeding calendar month (Mountain Time), or such other consecutive monthly period designated by Company.

Nominations. The Quantity of gas supplies requested to be transported on the Company's System for a specific day. Nominations are to be adjusted to include Fuel Reimbursement and shall be made on a Dekatherm basis.

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS- CONT'D

Operational Flow Order (OFO)

An order issued by Company for a specific Day(s) and covering either a designated Operational Area, or a designated Shipper or group of Shippers within an Operational Area that the Company reasonably believes are causing the condition necessitating the OFO, to alleviate conditions which threaten or could threaten the safe operation or integrity of Company's system or to maintain operations required to provide efficient and reliable firm service under the following circumstances: a) when delivery system pressure or other unusual conditions are reasonably expected, in Company's judgment, to jeopardize the operation of the Company's system; b) when transmission, storage, or supply resources are being used at or near maximum deliverability; c) when one or more upstream pipelines call an OFO and such OFO creates conditions on Company's system which necessitate calling an OFO; and d) when Company is unable to fulfill its firm service obligations or to maintain overall operational integrity of the system. When issued, the OFO shall specify the Tolerance Range of over or under-delivery permitted for the Day(s).

Peak Day Quantity. (PDQ) is the maximum daily quantity of gas expressed in Dekatherms which Company agrees to transport or sell, if applicable, to Shipper as set forth on an Exhibit to the Firm Service Agreement.

Primary Receipt Point(s). Receipt Point(s) specified in the Firm Transportation Service Agreement as Primary Receipt Point(s) where Receiving Party is entitled to firm service on Company's System. Primary Receipt Point(s) will be identified in an Exhibit to the Service Agreement.

Psia. Pressure in point per square inch absolute.

Receipt Point(s). The point of interconnection between the facilities of the Company and the Interconnecting Party(s) wherein the Company receives gas for the account of Shipper for transportation on its System, as specified on an Exhibit to the Service Agreement.

Receiving Party(s). The party or parties that receive gas from Company at the Delivery Point(s) as specified in an Exhibit to the Service Agreement.

Request for Gas Transportation Service. A written request for transportation service submitted by any prospective Shipper as provided in these General Terms and Conditions.

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS- CONT'D

Shipper. Any party who has executed a Service Agreement with Company. Shipper may or may not be the Receiving Party.

Supply Curtailment. The discontinuance of transportation or sales service as a result of the inability of Company to provide such service due to non-receipt of Shipper's Gas or the lack of availability of Companies gas supply, respectively. The phrase "Supply Curtailment" shall have the same meaning as "Curtailment."

System. The pipelines, compressor stations, regulator stations, meters, gas processing facilities and other related facilities owned by Company and utilized in providing transportation service.

Year. A period of 365 consecutive days or 366 consecutive days if such period includes February 29, beginning at 10:00 a.m. Mountain Time on any given day.

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GAS TRANSPORTATION TERMS AND CONDITIONS

CONDITIONS OF GAS TRANSPORTATION SERVICE

Pressure at Delivery Point(s).

Unless otherwise agreed upon, Company shall cause the gas to be delivered at each Delivery Point at such pressures as may prevail from time to time in Company's system.

Pressure at Receipt Point(s).

Shipper shall deliver or cause gas to be delivered at each Receipt Point at a pressure sufficient to allow the gas to enter Company's System. Shipper shall not, except by mutual written agreement, be required or permitted to deliver the gas at any Receipt Point at a pressure in excess of the maximum allowable operating pressure of Company's System as established by the Company.

Prior to commencement of service hereunder, Shipper shall have completed a request for Gas Transportation Service and shall have executed a Service Agreement.

Requests for Transportation Service.

- (a) Shipper shall submit to Company a Request for Gas Transportation Service. The request will either be approved or denied, by Company within sixty (60) days of the receipt thereof. If as a condition for approval, additional facilities are required, Company will specifically set forth the estimated costs of said facilities and any additional charges. The written notice of approval shall also set forth the cost, if any, of conversion from sales service. If denied, written notification will be provided to Shipper detailing the reasons for denial, as well as an explanation of what changes would be necessary to enable Company to provide the requested service, as well as any additional charges therefore;
- (b) All requests for Transportation Service shall be submitted in writing to Company in the form included in these General Terms and Conditions or a facsimile thereof;
- (c) Company shall endeavor to provide service within the time specified in the written request, but shall not be obligated to do so. Requests shall be considered received only if the information specified in the Request for Transportation Service is provided.

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GAS TRANSPORTATION TERMS AND CONDITIONS

CONDITIONS OF GAS TRANSPORTATION SERVICE – CONT'D

Gas Transportation Service Agreement (Service Agreement).

Upon Company approval of Request for Gas Transportation, Company shall tender Shipper a Service Agreement in accordance with this gas transportation tariff. Any changes to Service Agreement shall be accomplished through an amendment executed by both Shipper and Company.

Initiation of Service.

Within thirty (30) days of Shipper's receipt of an executable Service Agreement from Company, Shipper shall execute and deliver to Company such Service Agreement. A Shipper entitled to receive transportation service under an interruptible transportation rate schedule must tender gas for transportation within thirty (30) days after receipt of any necessary regulatory approvals, installation of facilities by Company, or the execution date of the Service Agreement, whichever is later. If Company has not received an executed Service Agreement within the required time Company shall have the right to terminate the Service Agreement.

New or Additional Facilities.

Shipper agrees to pay Company for any new or additional facilities which may be required to accomplish transportation service hereunder. If such new or additional facilities are required at any time during the term of this Service Agreement, Company shall inform Shipper of the need for such facilities, the installation cost and any related monthly specific facility charges or other miscellaneous charges associated with said facilities. Such charges will be specified on an Exhibit to the Service Agreement. Shipper shall have sixty (60) days from the date of said notification in which to approve the expenditure for such additional facilities. Should Shipper decide not to approve the installation of said new or additional facilities, Company shall have the right to terminate the Service Agreement. If Shipper approves installation of such facilities, Shipper shall make full payment for such additional facilities, unless otherwise provided in the Service Agreement, including the income tax consequences associated with such payment. All Facilities installed by Company shall continue to be owned, operated and maintained by Company.

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GAS TRANSPORTATION TERMS AND CONDITIONS

SHIPPER'S RESPONSIBILITY

Shipper is responsible for obtaining Shipper's Gas, nominating receipts and deliveries, managing Imbalances and payment of all costs of such gas from sources other than Company, and for the transportation of such gas to Company's Receipt Point(s) from the Interconnecting Party(s). Shipper's Gas received by Company for transportation for Shipper or Receiving Party shall meet all quality specifications as specified in Gas Quality section included in this tariff.

Company shall not be required to perform transportation service if Shipper fails to comply with the terms of its Service Agreement, the applicable Rate Schedule and these General Terms and Conditions.

NOMINATIONS

- a) Shipper shall nominate to the corresponding Interconnecting Party based on Shipper's meter(s) locale which is downstream of such interconnect (sometimes referred to as Town Border Station) a quantity of gas to be transported through Company's (Company shall be known as the Local Distribution Company providing such Gas Transportation Service to Shipper) system to Shipper's meter(s).
- b) Nominations shall be intended to meet the daily requirements of Shipper as solely determined by Shipper.
- c) Such Nominations shall be subject to the nomination procedures and schedules of the Interconnecting Party. This includes, but is not limited to, events of Operational Flow Orders.
- d) All Nominations are subject to Company approval and are not guaranteed to be allocated to Shipper.
- e) Shipper's Allocations shall not be greater than the Shipper's Nominations less Interconnecting Party and/or Company Fuel Reimbursement.
- f) Shipper's Allocations are determined by the Interconnecting Party and may also be further adjusted by Company based on a priority of service with Interruptible Shippers having the lowest priority.

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GAS TRANSPORTATION TERMS AND CONDITIONS

NOMINATIONS – CONT'D

- g) In the event that Company determines an emergency or other circumstances exist, Company may modify nomination procedures.

Imbalance Provisions

- a) The net monthly difference between Shipper's Allocations, less Company Fuel Reimbursement, and monthly metered volumes shall result in Shipper's Monthly Imbalance
- b) Shipper shall make reasonable efforts to manage such Monthly Imbalances as close to a zero (0%) tolerance as possible by the end of each Delivery Month.
- c) Monthly Imbalance percentages are determined by the following formula:

Dth Imbalance divided by Dth Usage

- d) Potential restrictions to imbalances may be enforced by Company as a result of an Interconnecting Party's operations, including but not limited to OFOs or as deemed necessary by Company.
- e) Company has no obligation to provide imbalance services to Shipper during events of OFO or any other time as solely determined by Company.
- f) Shipper's non-compliance of an Interconnecting Party's OFO, or other penalizing event, may result in a cost to Company.
- g) Such costs shall be passed through to any Shipper determined to be non-compliant and having caused such cost to Company.
- h) Sole resolution of Shipper's Monthly Imbalances shall be through a Cashout Procedure by either the purchase of natural gas by Company from Shipper (Over-Delivery) or the sale of natural gas from Company to Shipper (Under-Delivery).

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GAS TRANSPORTATION TERMS AND CONDITIONS

Nomination Procedures.

Daily Nominations for the first day of the month shall be tendered in writing in a format requested by Company and shall be received no later than 10:30 a.m., four (4) business days before the first day of the succeeding month.

Company will confirm or deny these nominations no later than two (2) business days before the first day or the succeeding month, after 2:00 p.m. If Company does not confirm Nominations, Shipper may re-nominate gas for delivery on the first day or the month at Receipt Point(s) listed on the Primary or Category One Contractual Receipt month at Receipt Point(s) listed on the Primary or Category One Contractual Receipt Point List no later than one (1) business day before the first day of the succeeding month by 10:30 a.m.

Nominations for days other than the first day of month or revisions to daily quantities and/or Interconnecting Party(s) contract number(s) previously submitted shall be received in writing no later than 10:30 a.m., two (2) business days before the date of the effective change.

Re-Nomination Changes by Shipper.

Nominations previously submitted and confirmed, in accordance with Company's nomination procedures, for any Tuesday gas day may be re-nominated no later than 8:30 a.m. on the immediately preceding Monday and shall be submitted in writing. Shipper is responsible to notify the Interconnecting Party(s) to make corresponding confirmations of supply re-nomination to Company no later than 9:30 a.m. on Monday. Any re-nominations not confirmed by the Interconnecting Party(s) on or before 9:30 a.m. shall be deemed denied. In no event shall re-nominations bump quantities already previously scheduled and confirmed for Tuesday.

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GAS TRANSPORTATION TERMS AND CONDITIONS

NOMINATIONS – CONT'D

Nomination Confirmations.

Nominations made in accordance with the above procedures will not become effective until Company has confirmed the nominated receipts with the Interconnecting Party(s). Shipper is responsible to notify the Interconnecting Party(s) to make corresponding confirmations of supply to Company.

Any discrepancy in Nominations that cannot be resolved shall result in Shipper receiving the lesser of these two quantities: Shipper's Nominations to Company or Interconnecting Party(s) confirmation.

Nomination Changes By Company.

If, on any day, Company determines that there is an under delivery of natural gas into Company's System from an Interconnecting Party(s), Company shall have the right to make adjustments to Shipper's Nominations to more accurately reflect actual deliveries of supply into Company's System.

ALLOCATIONS

Unless otherwise agreed, allocations at the Company's Receipt Point(s), less Fuel Reimbursement, will be based on the lower of the three; (i) Nominations to Company or (ii) confirmed Nominations or (iii) Allocations provided by Interconnecting Party(s). The difference between allocation, less Fuel Reimbursement at the Receipt Point(s) and daily measurement determinations at the Delivery Point(s) will be considered the Imbalance. Delivery Point allocations and Imbalances will be determined by Company on a daily basis or otherwise specified. Imbalance Resolution Gas shall be deemed last through the meter in determining the amount of a Shipper's Imbalance.

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GAS TRANSPORTATION TERMS AND CONDITIONS

DETERMINATION OF QUANTITIES TRANSPORTED

Quantity determinations shall be done in accordance with Company's Rules and Regulations for Natural Gas Service, and Quantities will be apportioned in Gas Day increments. Determinations may be adjusted by Supply Curtailments or other restriction. Quantities consumed in excess of confirmed Nominations or allocations during any restricted period will be sold to the Shipper at the appropriate Backup Supply Sales Charge up to that quantity permitted under Service Agreement or, if above those quantities, at the Unauthorized Overrun Commodity Sales Charge. Sales quantities consumed during any such restricted period shall not be made up through Imbalance provisions. Shipper agrees to accept the accounting by Company of daily quantities of Shipper's Gas received by Company.

IMBALANCE PROVISION

Shipper shall every effort to manage daily receipts of Shipper's Gas and deliveries to the Receiving Party(s) so that the Imbalance(s) at the end of each Month, including any Imbalance(s) carried forward from the previous Month, are as close to zero as practicable. Determination of such Imbalance(s) will be made after adjusting for Fuel Reimbursement.

Imbalance(s) remaining at the end of a billing period will be brought within five percent (5%) of actual usage within the subsequent billing period. If at the end of the subsequent billing period the imbalance is greater than five percent (5%), then Shipper shall be subject to the Over and Under Delivery provisions of this tariff and the Imbalance shall be brought to five percent (5%). If at the end of the subsequent billing period, the Imbalance is within five percent (5%), excluding Imbalance for current Month, the Imbalance shall be added to the current month's imbalance and carried forward into the following Month.

Company may enter into special Imbalance Agreements with Shipper that take into consideration special unique circumstances.

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GAS TRANSPORTATION TERMS AND CONDITIONS

OVER-DELIVERIES OF SHIPPER'S GAS SUPPLIES

In the event the quantity of gas delivered to the Shipper or Receiving Party(s), as determined by the company at the Delivery Point(s) is less than the quantity allocated by the Interconnecting Party(s), adjusted for Fuel Reimbursement at the end of the subsequent billing period, by more than five percent (5%), including any Imbalance from the prior monthly billing period(s), then Company may correct the Imbalance to zero percent (0%) by purchasing from the Shipper the difference between the Receiving Party(s)' deliveries and the quantity allocated by Interconnecting Party(s) adjusted for Fuel Reimbursement. These purchases shall be made at a rate equal to seventy-five percent (75%) of the CIG Rocky Mountain spot gas price index as reported in the table titled "Prices of Spot Gas Delivered to Pipelines," in the First monthly issue of Inside FERC Gas Market Report published by McGraw Hill during the Month the Imbalance is purchased from the Shipper. These purchases shall be applied as a credit on the Shipper's succeeding monthly statement. Company reserves the right to waive applicable charges if quantities are less than five (5) Dth.

UNDER-DELIVERIES OF SHIPPER'S GAS

In the event the quantity of gas delivered to the Shipper or Receiving Party(s), as determined by the Company at the Delivery Point(s), is greater than the quantity allocated by Interconnecting Party(s), for Fuel Reimbursement at the end of the Imbalance from the prior monthly billing period(s), then Company shall correct the Imbalance to zero percent (0%) of Shippers prior month deliveries by selling to the Shipper, the difference between a) Receiving Party(s)' deliveries and b) the quantity allocated by Interconnecting Party(s) adjusted for Fuel Reimbursement. The rate and terms for such sales shall be at the Backup Commodity Sales Charge as set forth in the Company's gas transportation rate schedules. Company reserves the right to waive applicable charges if quantities are less than five (5) Dth.

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GAS TRANSPORTATION TERMS AND CONDITIONS

BALANCING UPON TERMINATION

Upon termination or cancellation of the Service Agreement, if transportation service is not continued under another Service Agreement, any under-deliveries shall be eliminated at the earliest practicable date, not to exceed ninety (90) days following such termination or cancellation. If at the end of the ninety (90) day period an under-delivery exists, then, as appropriate, Company shall sell to Shipper such quantities which are due Shipper and Shipper shall purchase from Company such quantities in accordance with the terms and conditions of the under-deliveries of Shipper's Gas Supplies section of this tariff. If the imbalance is caused by an over-delivery of Shipper's gas then Company shall eliminate any over-deliveries by purchasing any quantities which are due Shipper at the next billing cycle in accordance with the terms and conditions of over-deliveries of Shipper's Gas Supplies section of this tariff.

If Service Agreement is terminated and service continues under another Service Agreement, the Imbalance will be transferred to new Service Agreement and the Imbalance Provisions shall apply.

IMBALANCES DUE TO MEASUREMENT OR NOMINATION ENTRY ERROR

If an inaccuracy occurs as a result of an error in measurement devices, billing errors or errors in the entry of nominations by Company, the Company will correct measurement, billing statement nomination entries were incorrectly entered by Company for the Shipper to correct the Imbalance. In no event shall this period be longer than six months for the shipper to correct the Imbalance. After such period, any Imbalance will be subject to the Imbalance provisions of this tariff.

FAILURE OF SHIPPER'S SUPPLY

Should Shipper fail to cause Shipper's Gas to be supplied to Company for transportation, Shipper will immediately notify Company of this condition. If Shipper has not contracted for Firm Supply Reservation Service, then upon request, Company will inform Shipper if Backup Supply Sales Service is available from Company. If Company informs Shipper that said Backup Supply Sales Service is not available, continued use of gas by Receiving Party shall be considered Unauthorized Ovrerrun Sales.

Advice Letter Number 63

Issue Date

Officer, Title

7810 Shaffer Parkway, #120, Littleton, CO 80127

Decision Number _____

Effective Date

COLORADO NATURAL GAS, INC.

P.O. Box 270868
Littleton, CO 80127

CO PUC No. 2

Original Sheet No. T18
Cancels Sheet No.

GAS TRANSPORTATION TERMS AND CONDITIONS

SUPPLY CURTAILMENTS

Company will, within a reasonable time, confirm with Interconnecting Party(s) an Interconnecting Party(s)'s Supply Curtailment of a Shipper's gas supplies. If a Shipper's gas supplies are curtailed, Company will accept, until 8:30 a.m. prior to the start of such gas day, revised Nominations that conform with the receipt quantities confirmed by the Company from the curtailed Interconnecting Party(s). The Company will also allow resourcing of curtailed quantities from existing or new Receipt Point(s), provided the revised Nomination is submitted no later than 8:30 a.m. before the start of such gas day. Shipper is responsible to notify the Interconnecting Party(s) to make corresponding confirmations of supply to Company no later than 9:30 a.m. before the start of such gas day. Any revised nomination not confirmed by the Interconnecting Party(s) on or before 9:30 a.m. shall be deemed denied. In no event shall revised nominations bump quantities already previously scheduled and confirmed for such gas day.

In the event of an emergency, the Company will accept, for one (1) hour, revised Nominations that conform with the receipt quantities received by the Company from the curtailed Interconnecting Party(s).

OPERATIONAL FLOW ORDER

Shipper shall be responsible for complying with the directives set forth in any Operational Flow Order (OFO) issued by the Company. The Company will issue an OFO to alleviate conditions that, in the sole judgment of the Company, jeopardize the operational integrity of Company's System required to maintain system reliability. Upon issuance of an OFO, the Company will direct Shipper to comply with one of the following conditions: (a) Shipper must take delivery of an amount of natural gas from the Company that is no more than the hourly or daily amount being delivered by the Interconnecting Party to the Company for the Shipper; or (b) Shipper must take delivery of an amount of natural gas from the Company that is no less than the hourly or daily amount being delivered by the Interconnecting Party to the Company for the Shipper. Provision of oral notice by telephone to Shipper shall be deemed as proper notice of an OFO. Shipper shall respond to an OFO by either adjusting its deliveries into Company's System or its consumption at the End User facility. Should Shipper be unable to deliver sufficient volumes of transportation gas to Company's System, the Company will not be obligated hereunder to provide standby quantities for purposes of supplying such End User's requirements

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7810 Shaffer Parkway, #120, Littleton, CO 80127

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COLORADO NATURAL GAS, INC.
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CO PUC No. 2

Original Sheet No. T19
Cancels Sheet No.

GAS TRANSPORTATION TERMS AND CONDITIONS

OPERATIONAL FLOW ORDER (continued)

All volumes taken by End User in excess of volumes delivered by Interconnecting Party to Company for Shipper in violation of the above "condition (a)" OFO shall constitute an unauthorized delivery by Shipper on the Company's System. All volumes taken by Shipper less than volumes delivered by Interconnecting Party to Company for Shipper in violation of "condition (b)" OFO shall constitute an unauthorized delivery by Shipper to Company. Shipper shall be charged the greater of \$35.00 per Mcf or 125% of the actual charge made to Company by the Interconnecting Party, plus any other charges applicable under this tariff for such unauthorized receipts or deliveries that occur during the OFO. Company will not be required to provide service under this tariff to any Shipper that does not comply with the terms or conditions of an OFO. Payment of charges hereunder shall not be considered an exclusive remedy for failure to comply with the OFO, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.

CAPACITY INTERRUPTIONS

Company shall have the right to interrupt the transportation of gas for Shipper, when necessary, due to lack of capacity, or to test, alter, modify, enlarge, or repair any facility or property comprising a part of its System, or otherwise related to the operation thereof. Except in cases of emergency, the Company shall endeavor to give advance notice to Shipper of its intention to interrupt the transportation of gas, stating the anticipated timing and magnitude of such Capacity Interruption. Except as set forth above, Company shall have no other responsibilities to Shipper for any alterations or repairs and shall have no liability for any losses or damages whatsoever occasioned by such alterations or repairs.

PRIORITY OF SERVICE

Unless conditions otherwise warrant, Firm Gas Transportation Service shall have priority over Interruptible Gas Transportation Service. The Capacity Interruption of gas deliveries in whole or in part under this tariff shall not be the basis for claims for damages sustained by Shipper or Receiving Party. Specific interruption of transportation service shall be made in the following order: (a) Authorized Imbalance Resolution Gas under Firm and Interruptible Transportation Service Agreements prorated based on confirmed Nominations for each Shipper; (b) Authorized overrun deliveries in excess of the Peak Day Quantity under Firm Transportation Service Agreements and the Maximum Daily Transportation Quantity under Interruptible Transportation Service Agreements prorated based on confirmed Nominations; (c) All other interruptible transportation service at a discounted rate by order of the rate being paid by Shipper for the transportation service from lowest to highest.

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CO PUC No. 2

Original Sheet No. T20
Cancels Sheet No.

GAS TRANSPORTATION TERMS AND CONDITIONS

PRIORITY OF SERVICE - Cont'd

If two or more Shippers are paying the same discounted rate then the Capacity Interruption shall be prorated based upon confirmed Nominations; (d) All interruptible transportation service at the standard rate prorated on the basis of confirmed Nominations; (e) All firm transportation service in accordance with the same system of class-by-class priorities as is applicable to Company's sales customers; (f) Nothing in this provision shall limit Company's right to interrupt service as necessary in order to ensure system integrity or to reflect the operational characteristics of Company's System._

NOTICES

Except as otherwise provided, any notice, request, demand, statement, bill, or payment provided in the Service Agreement, or any notice that either party may desire to give to the other, shall be in writing and shall be considered as duly delivered or furnished when mailed to the address listed in the Service Agreement, or such other address as either of the parties shall designate in writing.

BILLING AND PAYMENT

Statements for transportation of Shipper's Gas under the appropriate transportation tariff shall be rendered on a Dekatherm basis by Company to Shipper each Month following delivery. Any credits for purchases of oversupply of Shipper's Gas or charges for gas supplies sold by Company to the Shipper shall be reflected on each monthly statement.

Payment and Late Payment Charge. Bills for services provided shall be for a monthly period beginning on the first day of the month and are due and payable within thirty (30) days from the date of the bill. Any amounts not paid on or before the due date of the bill shall be subject to a late payment charge of one and one half percent (1.5%) per month.

Failure to Pay Bills. If Shipper fails to pay for the services provided under this tariff, then Company may discontinue service as provided in the applicable tariff and in accordance with Company's Natural Gas Service Rules and Regulations.

Verification of Statements. Shipper and Company shall have the right to examine, for a period of two (2) years, books, records and charts of the other to the extent necessary to verify the accuracy of the statement, charge, or computation make under the provisions of this tariff.

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GAS TRANSPORTATION TERMS AND CONDITIONS

BILLING AND PAYMENT - Cont'd

Deposits for Gas Transportation Service. A deposit shall be required for any first time Shipper requesting gas transportation service. Any Shipper who has not received sales or transportation service from Company for at least twenty-four (24) months within the last three (3) years is considered a first-time Shipper. A deposit may also be required from existing Shippers if the Company reasonably determines that the Shipper's financial statements, commercial credit reports from a credit reporting agency, or other information relating to Shipper's financial status or if Shipper's recent payment records include recent or substantial delinquencies. The deposit shall be the sum of the estimated bill for ninety (90) days. Deposits will be increased for first time Shipper each time additional Receiving Party(s) is added to Service Agreement within the initial two (2) years period.

Shipper deposits for gas transportation accounts will be retained by the Company for a minimum period of two (2) years or until service is discontinued if sooner than two (2) years.

Any Shipper deposit required hereunder shall not be considered as advance payment or partial payment of any bill for service and shall not be transferable to another Shipper. The deposit is security for payment of service to be applied against unpaid bills only in the event service for the account on which the deposit was being held as security is discontinued.

A surety bond or irrevocable letter of credit from a financial institution will be accepted in lieu of a deposit but must be issued for an amount equal to the required deposit and be issued for a two (2) year period or at the discretion of Company. A credit report from a commercial credit reporting agency may also be accepted in lieu of a deposit.

Refunds of Deposits for Gas Transportation Service. Refunds of deposits for gas transportation service will be made following the two (2) year retention period in which the Shipper's most recent twelve (12) months' history indicates that service has not been discontinued for nonpayment and not more than two (2) Notices of Discontinuance have been mailed within the last six (6) months. Refunds will otherwise be made only at such time as service is discontinued and all outstanding bills have been paid.

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GAS TRANSPORTATION TERMS AND CONDITIONS

BILLING AND PAYMENT - Cont'd

Refunds of Deposits for Gas Transportation Service. - Cont'd

An interest rate will be paid on Shipper deposits either in cash or by a credit to the Shipper's account. Interest will be paid upon refund of the deposit or annually upon request of a Shipper. An interest rate will be determined by the Public Utilities Commission of the State of Colorado by January 1 of each year and will be in effect from January 1 to December 31, and is subject to change each year.

QUALITY

Gas Receipts: Unless otherwise specified by Company, gas tendered to Company will conform with the quality specifications set forth under this tariff and associated Transportation Service Agreement executed between Shipper and Company. Company has no obligation to accept gas of a lesser quality than that set forth herein below or to accept gas of a lesser quality than that which is to be delivered.

At a pressure of 14.73 psia and a temperature of 60 degrees Fahrenheit, gas received by Company shall not contain more than the following:

- (i) Hydrogen Sulfide: one quarter (1/4) grain per one hundred (100) cubic feet.
- (ii) Total Sulfur: five (5) grains per one hundred (100) cubic feet.
- (iii) Carbon Dioxide: three percent (3%) by volume
- (iv) Water Content: three (3) pounds per one million (1,000,000) cubic feet.
- (v) Flowing Gas Temperature: not to be less than thirty-two degrees Fahrenheit (32 one hundred and ten degrees Fahrenheit (110°F)).
- (vi) Hydrocarbon Dewpoint: shall not exceed fifteen degrees Fahrenheit (15°F) at any pressure between one hundred (100) psia and one thousand (1000) psia as calculated from gas composition or otherwise determined.

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GAS TRANSPORTATION TERMS AND CONDITIONS

QUALITY - Cont'd

Gas Receipts. Cont'd

- (vii) Oxygen Content: two percent (2%) by volume if inert blended, one one-thousandth of a percent (0.001%) by volume if not inert blended.
- (viii) Total Non-Combustible Gases: fourteen and three tenths percent (14.3%) by volume if inert blended, five percent (5%) by volume if not inert blended.

Liability: Company shall not be liable to Shipper of a third party for any damages incurred as a result of Company's refusal to receive gas that does not meet quality specifications. the shipper delivering as directly into Company's System shall indemnify, save, and hold harmless Company for any injury, damage, loss, or liability arising out of or relating to the Shipper's delivery of non-conformance gas.

Processing: Company may extract or permit the extraction of moisture, inerts, natural gasoline, butane, propane, or other hydrocarbons (except methane) from said natural gas, or may return thereto any substance extracted from it. Company, in order to conserve and utilize other available gases, may blend such gases with said natural gas. Company may subject or permit the subjection of said natural gas to compression, cooling, cleaning, or other processes to such an extent as may be required in its transportation from the Interconnecting Party(s) to the Delivery Point(s).

Objectionable Matter: The gas delivered to Company shall be commercial in quality and free of substances harmful to pipeline facilities, including but not limited to dust, dirt, gum-forming constituents, water, and other liquid or solid matter, or water and hydrocarbons in liquid form at the temperature and pressure at which it is received by Company, which might interfere with its marketability or cause injury to or interference with proper operation of the lines, regulators, meters, and other equipment of Company.

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GAS TRANSPORTATION TERMS AND CONDITIONS

QUALITY - Cont'd

Hazardous Substances: All gas tendered to Company and component parts thereof shall not be hazardous to people, property, or the environment, cause damage to pipeline facilities, or be a limit to marketability. Hazardous substances include toxic substances, carcinogenic substances, reproductive toxins or other compounds and materials identified under hazardous materials laws.

Gas Interchangeability: For safe and efficient pipeline operations, gas received by Company must be interchangeable from a utilization basis with supplies in its System. Gas received by Company shall comply with the requirements set forth under the applicable Utilization Curve contained under an Exhibit to the Transportation Service Agreement, which is a general representation of the natural gas quality which is acceptable. Because the gas is interchangeable, Company reserves the right in all instances to evaluate gas composition to determine System compatibility and to refuse any gas which is unacceptable.

FORCE MAJEURE

Force Majeure shall mean circumstances not within the control of the parties and which by the exercise of due diligence, the affected party is unable to overcome. Force Majeure shall include but not be limited to acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests, and restraints of governments and people, civil disturbances, explosions, breakage or accident to wells, machinery or lines of pipe, freezing of wells or lines of pipe and partial or entire failure of wells. The term Force Majeure shall also include: The inability or delay of a party to acquire, at reasonable cost, materials, supplies, servitudes, right of way grants, transportation agreements with parties other than Company, permits, licenses or permissions from any governmental agency to enable such party to fulfill its obligations hereunder.

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GAS TRANSPORTATION TERMS AND CONDITIONS

FORCE MAJEURE - Cont'd

The Force Majeure provisions shall not apply to the inability of Company to accept gas at the Receipt point(s) or deliver gas at the Delivery Point(s) nominated by Shipper for the purpose of correcting or curing an Imbalance in Shipper's Gas transported on Company's System.

In event either party is rendered wholly or partially unable to carry out its obligations under this Service Agreement due to a Force Majeure event, such party shall give notice and provide the full particulars of such Force Majeure, in writing or by electronic data transmitted to the other party as soon as is reasonably possible after the occurrence of the causes relied on. The obligations of the parties, other than to make payments of amounts due hereunder, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period. The affected party shall use good faith and due diligence to remedy the Force Majeure event in a commercially reasonable manner.

It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

LIABILITY

Each Party shall indemnify, save and hold harmless the other party, its officers, employees and agents from any and all claims for injury to person or persons or damage to property occurring on its respective side of the interconnection point(s) between Company's and the Shipper's or Receiving Party's facilities; provided, however, that nothing herein contained shall be construed as relieving or releasing either party from liability for injury or damage, wherever occurring, resulting from its own negligence or the negligence of any of its officers, employees, or agents. In no event shall either party be liable for damages in an amount greater than the degree or percentage of negligence or fault attributable to that party. Each of the parties hereto shall be solely responsible for injury or damage, wherever occurring, due solely to any defect in equipment installed, furnished or maintained by such party.

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COLORADO NATURAL GAS, INC.
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CO PUC No. 2

Original Sheet No. T26
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GAS TRANSPORTATION TERMS AND CONDITIONS

WARRANTY

Shipper warrants that the title to all gas delivered to Company will be free from all liens and adverse claims, and Shipper shall defend and indemnify Company against all damages, cost, and expenses, including attorney fees, arising from any claim against said gas or to royalties, taxes, license fees or charges thereon.

WAIVERS

No waiver by Company or Shipper of any one or more defaults in the performance of any provision hereunder shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.

SYSTEM OPERATION

Company may take such action as reasonably necessary to prevent damage to or material deterioration of its System and to maintain the operational integrity of the System.

EXTENSION POLICY

For transportation service, Company will install necessary extension facilities in accordance with the Company's Service Lateral Connection and Distribution Main Extension Policy as contained in Company's Natural Gas Service Rules and Regulations.

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COLORADO NATURAL GAS, INC.
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Original Sheet No. T29
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GAS TRANSPORTATION TERMS AND CONDITIONS

STANDARD FORM OF
FIRM GAS TRANSPORTATION SERVICE AGREEMENT

This Agreement is made and entered into this day of ,
by and between Colorado Natural Gas Inc., PO Box 270868, Littleton, CO 80127,
hereinafter called "Company" and , having a mailing
address of , , , hereinafter called
"Shipper".

THE PARTIES REPRESENT:

Shipper has by separate agreement acquired supplies of natural gas,
hereinafter referred to as "Shipper's Gas", to be delivered to Delivery
Point(s): and

Shipper will cause Shipper's Gas to be delivered to Company's Receipt
Point(s) as specified in Exhibit ; and

Shipper has requested and Company agrees to receive and transport
Shipper's Gas from the Receipt Point(s) to the Delivery Point(s), as specified
in Exhibit , on a firm capacity and firm supply reservation basis (if
applicable); and Shipper assumes responsibility for the installation and
maintenance costs for a communication line necessary for electronic metering
for the facility(s) specified in Exhibit .

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1.
 - a) Shipper acknowledges that gas transportation service provided hereunder is subject to the terms and conditions of Company's applicable gas transportation tariff as on file and in effect with the Public Utilities Commission of the State of Colorado (Commission).
 - b) This agreement and all its rates, terms, and conditions as set out in this agreement and as set out in the tariff provision which are incorporated into the 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.
 - c) If the end-use customer uses a marketing broker for nomination, gas purchases, and balancing, the end-use customer shall provide the utility with an Agency Agreement.

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COLORADO NATURAL GAS, INC.
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FIRM GAS TRANSPORTATION SERVICE AGREEMENT

2) Rates and Payment: Transportation service, Firm Capacity service and Firm Supply Reservation Service provided by Company under this Service Agreement shall be paid for by Shipper at the charges under the standard rate set forth in the Company's gas transportation tariff unless otherwise specified in Exhibit _____. Applicable facility charges shall be paid at the rate set forth in Exhibit _____>

3) Backup Supply Sales and Service: In the event that adequate supplies of Shipper's Gas are not available for receipt by the Company, Company shall sell to Shipper sufficient quantities of natural gas as area necessary to meet Shipper's backup natural gas supply needs, up to the Peak Day Quantity at the individual Delivery Point(s) to Shipper as specified in Exhibit _____. If Shipper does not purchase Firm Supply Reservation Service, Company will provide Backup Supply Service on an interruptible basis, as available.

All natural gas sold by Company to Shipper shall be at the Backup Supply Sales Charge specified in the Company's gas transportation tariff.

4) Term - Effective Date: Service shall begin on the Commencement Date of the Agreement specified on Exhibit _____, and shall continue until the Termination Date of that Agreement, and from year to year thereafter unless terminated by either party upon thirty (30) days written notice at the end of the primary term or any succeeding year thereafter.

5) Notices: Except as otherwise provided, any notice or information that either party may desire to give to the other party regarding this Agreement shall be in writing to the following address, or such other address as either of the parties shall designate in writing:

Company:

Payments only: Colorado Natural Gas Inc.

All Others: Colorado Natural Gas Inc.

PO Box 270868
Littleton, CO 80127

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FIRM GAS TRANSPORTATION SERVICE AGREEMENT

SHIPPER:

<u>Invoices Only:</u> _____	<u>All Others:</u> _____
_____	_____
_____	_____
Phone #: _____	Phone #: _____
Fax #: _____	Fax #: _____

Routing communications, including monthly statements and payments, shall be considered as duly delivered or furnished three (3) days after being mailed or when transmitted electronically.

6) Assignment - Consent: This written Service Agreement shall not be assigned by either party hereto, without prior written consent of the other party and shall apply only to the service provided hereunder. Consent for assignment of Service Agreement shall not be unreasonably withheld by or from either party.

7) Cancellation of Prior Agreement: This Service Agreement supersedes, cancels and terminates, as of the date of this Service Agreement, the following agreements and any amendments:
Document No. _____
Dated: _____

8) Cancellation of This Service Agreement: In the event Shipper no longer requires Firm Transportation service and Receiving Party obtains alternate transportation service or converts to an alternate fuel prior to the end of the Contract Period, or any subsequent Contract Period, Shipper shall pay Company a termination charge equal to the Firm Supply Reservation Charge and the Firm Capacity Charge, if applicable, multiplied by the number of months remaining in any Contract Period.

9) Exhibits and Addendums: All Exhibits attached hereto are incorporated into the terms of this agreement.

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FIRM GAS TRANSPORTATION SERVICE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Firm Gas Transportation Service Agreement as of the day and year first above written.

Document #: _____

Company:
Colorado Natural Gas Inc.

Shipper:

By: _____

By: _____

Title: _____

Title: _____

Taxpayer ID #: _____

Taxpayer ID #: _____

Witness/Attest: _____

Witness/Attest: _____

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Original Sheet No. T33
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Document No. _____

EXHIBIT _____
 TO THE FIRM TRANSPORTATION SERVICE AGREEMENT
 BETWEEN

_____ (Shipper)

AND
 COLORADO NATURAL GAS INC. (Company)

1) PRIMARY RECEIPT POINT(S)

 Peak Day Quantity, Dth/Day _____

2) DELIVERY POINT(S)

Receiving Party & Service Addr.	Firm Capacity Peak Day Quantity	Service and Facility Charge	Transportation Commodity Charge	Term of Rate	Specific Facility Change	Date of First Delivery	Commencement Date of Agreement	Termination Date of Agreement

Total Peak Day Quantity:
 Capacity: _____ Dth/Day
 Supply: _____ Dth/Day

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Original _____ Sheet No. T34
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AGENCY AGREEMENT
GAS TRANSPORTATION SERVICES
(FOR USE WHEN RECEIVING PARTY HAS EXECUTED SERVICE AGREEMENT)

The undersigned, by and on behalf of _____ (Receiving Shipper), having a mailing address of _____, hereby designates _____ (Shipper's Agent), having a mailing address of _____, as its agent, with full authority to act on its behalf in performing certain of Receiving Shipper's responsibilities, as specified below, under the Gas Transportation Service Agreement dated _____, by and between Colorado Natural Gas, Inc. (Company) and Receiving Shipper, Contract No. _____ (GTSA), providing for the transportation of gas supplies by Company from Company's Receipt Points to Receiving Shipper at the Delivery Point(s) specified in the GTSA. Receiving Shipper represents and warrants to Shipper's Agent and Company that, during the term of this Agency Agreement, Receiving Shipper is and shall remain the only end-use customer eligible to receive physical deliveries of gas from Company under the GTSA.

1. As of the effective date set forth below, Shipper's Agent shall be authorized, in the following manner, to act on Receiving Shipper's behalf in managing gas transportation services provided by Company under the GTSA:

Access to Load Data. Receiving Shipper acknowledges and agrees that, in order for Shipper's Agent to carry out its responsibilities hereunder, Shipper's Agent shall have access to daily transportation quantities for all Receipt Point(s) and Delivery Point(s) specified in the GTSA. In addition, Shipper's Agent shall be authorized to obtain from Company information pertaining to Receiving Shipper's historical natural gas utilization at the Delivery Point(s) specified in the GTSA.

Authorized by
Receiving Shipper:

Accepted by
Shipper's Agent:

Nomination and Scheduling. Shipper's Agent shall be authorized to nominate to Company, on Receiving Shipper's behalf for each of the Delivery Point(s) specified in the GTSA, and otherwise schedule gas to meet Receiving Shipper's daily volume requirements and to resolve any and all gas transportation imbalances under the GTSA in accordance with the Company's Gas Transportation Terms and Conditions on file and in effect from time to time with the Commission. Shipper's Agent authorizes the following personnel from its organization to make binding nominations for this purpose.

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Original _____ Sheet No. T35
Cancels _____ Sheet No. _____

Name: _____ Title: _____ Phone Number: _____

Upon termination of this Agency Agreement, the GTSA shall become subject to the scheduling and balancing provisions of Company's Gas Transportation Tariff, and Receiving Shipper shall make arrangements to resume nominations to ensure appropriate quantities are nominated and scheduled under the GTSA.

Authorized by
Receiving Shipper:

Accepted by
Shipper's Agent:

Aggregate Balancing. In addition to the responsibilities of nomination and scheduling set forth in the foregoing paragraph, Receiving Shipper hereby authorizes Shipper's Agent to resolve gas transportation imbalances incurred under the GTSA on Receiving Shipper's behalf by combining any and all such imbalances with imbalances incurred for similar time periods under other gas transportation service agreement(s) between Company and Shipper's Agent, or other Receiving Parties that similarly have designated Shipper's Agent as agent for purposes of managing gas transportation imbalances. Receiving Shipper acknowledges and agrees that Company's reporting of gas transportation imbalances for the GTSA will not reflect Receiving Shipper's share of the gas transportation imbalances attributable to Shipper's Agent on an aggregate basis. In the event this Agency Agreement is revoked or terminated and any Imbalance incurred pursuant to the terms hereof remain outstanding and Shipper's Agent fails to resolve such Imbalance, such outstanding Imbalance shall be allocated on a pro rata basis to all Service Agreements, including the GTSA, for which Shipper's Agent was authorized through an Agency Agreement to aggregate Imbalances, based upon the total usage quantities under of such Service Agreement during the period in which such Imbalance arose. In the event any invoiced amounts due by Shipper's Agent for charges, cashouts or penalties incurred as a result of Shipper's Agent responsibilities hereunder remain unpaid, such outstanding charges and penalties shall be allocated among such Service Agreements on the same pro rata basis as provided herein for allocating Imbalance quantities. A Receiving Shipper electing Aggregate Balancing acknowledges that, to the extent the GTSA provides for gas transportation from specific Receipt Point(s) at charges at less than the standard rates and charges applicable under Company's tariff (i.e., a path-specific discount), Company's standard gas transportation rates and charges shall apply.

Authorized by
Receiving Shipper:

Accepted by
Shipper's Agent:

Advice Letter Number 63

Officer, Title

Issue Date

Decision Number _____

Effective Date

COLORADO NATURAL GAS, INC.
P.O. Box 270868
Littleton, CO 80127

CO PUC No. 2

Original Sheet No. T39
Cancels _____ Sheet No. _____

INTERRUPTIBLE GAS TRANSPORTATION SERVICE AGREEMENT

2) Rates and Payment: Transportation service provided by Company under this Service Agreement shall be paid for by Shipper at the charges under the standard rate set forth in the Company's gas transportation tariff unless otherwise specified in Exhibit _____. Applicable facility charges shall be paid at the rate set forth in Exhibit _____>

3) Backup Supply Sales and Service: Shipper shall have the option to purchase Backup Supply Sales Service if available for sale by Company in the event that adequate supplies of Shipper's Gas are not available for receipt by the Company. All natural gas sold by Company to Shipper shall be at the Backup Supply Sales Charge specified in the Company's gas transportation tariff.

4) Term - Effective Date: Service shall begin on the Commencement Date of the Agreement specified on Exhibit _____, and shall continue until the Termination Date of that Agreement, and from year to year thereafter unless terminated by either party upon thirty (30) days written notice at the end of the primary term or any succeeding year thereafter.

5) Notices: Except as otherwise provided, any notice or information that either party may desire to give to the other party regarding this Agreement shall be in writing to the following address, or such other address as either of the parties shall designate in writing:

Company:

Payments only: Colorado Natural Gas Inc.

All Others: Colorado Natural Gas Inc.

PO Box 270868
Littleton, CO 80127

Advice Letter Number 63

Issue Date

Officer, Title

Decision Number _____

Effective Date

COLORADO NATURAL GAS, INC.
P.O. Box 270868
Littleton, CO 80127

CO PUC No. 2

Original _____ Sheet No. T41
Cancels _____ Sheet No. _____

INTERRUPTIBLE GAS TRANSPORTATION SERVICE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Interruptible Gas Transportation Service Agreement as of the day and year first above written.

Document #: _____

Company:
Colorado Natural Gas Inc.

Shipper:

By: _____

By: _____

Title: _____

Title: _____

Taxpayer ID #: _____

Taxpayer ID #: _____

Witness/Attest: _____

Witness/Attest: _____

Advice Letter Number 63

Issue Date

Decision Number _____

Officer, Title

Effective Date

COLORADO NATURAL GAS, INC.
 P.O. Box 270868
 Littleton, CO 80127

CO PUC No. 2

Original _____ Sheet No. T42
 Cancels _____ Sheet No. _____

Document No. _____

EXHIBIT _____
 TO THE INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
 BETWEEN

_____ (Shipper)

AND
 COLORADO NATURAL GAS INC. (Company)

1) PRIMARY RECEIPT POINT(S)

 Maximum Daily Transportation Quantity, Dth/Day _____

2) DELIVERY POINT(S)

Receiving Party and Service Address	MDTQ	On-Peak Demand Quantity	Service and Facility Charge	Specific Facility Charge	Date of First Delivery	Transportation Commodity Charge	Term of Rate	Commencement Date of Agreement	Termination Date of Agreement

Total Peak Day Quantity
 Capacity: _____ Dth/Day

Supply: _____ Dth/Day

Advice Letter Number 63

 Officer, Title

Issue Date

Decision Number _____

Effective Date

COLORADO NATURAL GAS, INC.
P.O. Box 270868
Littleton, CO 80127

CO PUC No. 2

Original _____ Sheet No. T43
Cancels _____ Sheet No. _____

AGENCY AGREEMENT
GAS TRANSPORTATION SERVICES
(FOR USE WHEN RECEIVING PARTY HAS EXECUTED SERVICE AGREEMENT)

The undersigned, by and on behalf of _____ (Receiving Shipper), having a mailing address of _____, hereby designates _____ (Shipper's Agent), having a mailing address of _____, as its agent, with full authority to act on its behalf in performing certain of Receiving Shipper's responsibilities, as specified below, under the Gas Transportation Service Agreement dated _____, by and between Colorado Natural Gas, Inc. (Company) and Receiving Shipper, Contract No. _____ (GTSA), providing for the transportation of gas supplies by Company from Company's Receipt Points to Receiving Shipper at the Delivery Point(s) specified in the GTSA. Receiving Shipper represents and warrants to Shipper's Agent and Company that, during the term of this Agency Agreement, Receiving Shipper is and shall remain the only end-use customer eligible to receive physical deliveries of gas from Company under the GTSA.

2. As of the effective date set forth below, Shipper's Agent shall be authorized, in the following manner, to act on Receiving Shipper's behalf in managing gas transportation services provided by Company under the GTSA:

Access to Load Data. Receiving Shipper acknowledges and agrees that, in order for Shipper's Agent to carry out its responsibilities hereunder, Shipper's Agent shall have access to daily transportation quantities for all Receipt Point(s) and Delivery Point(s) specified in the GTSA. In addition, Shipper's Agent shall be authorized to obtain from Company information pertaining to Receiving Shipper's historical natural gas utilization at the Delivery Point(s) specified in the GTSA.

Authorized by
Receiving Shipper:

Accepted by
Shipper's Agent:

Nomination and Scheduling. Shipper's Agent shall be authorized to nominate to Company, on Receiving Shipper's behalf for each of the Delivery Point(s) specified in the GTSA, and otherwise schedule gas to meet Receiving Shipper's daily volume requirements and to resolve any and all gas transportation imbalances under the GTSA in accordance with the Company's Gas Transportation Terms and Conditions on file and in effect from time to time with the Commission. Shipper's Agent authorizes the following personnel from its organization to make binding nominations for this purpose.

Advice Letter Number 63

Officer, Title

Issue Date

Decision Number _____

Effective Date

COLORADO NATURAL GAS, INC.
P.O. Box 270868
Littleton, CO 80127

CO PUC No. 2

Original _____ Sheet No. T44
Cancels _____ Sheet No. _____

Name: _____ Title: _____ Phone Number: _____

Upon termination of this Agency Agreement, the GTSA shall become subject to the scheduling and balancing provisions of Company's Gas Transportation Tariff, and Receiving Shipper shall make arrangements to resume nominations to ensure appropriate quantities are nominated and scheduled under the GTSA.

Authorized by
Receiving Shipper:

Accepted by
Shipper's Agent:

Aggregate Balancing. In addition to the responsibilities of nomination and scheduling set forth in the foregoing paragraph, Receiving Shipper hereby authorizes Shipper's Agent to resolve gas transportation imbalances incurred under the GTSA on Receiving Shipper's behalf by combining any and all such imbalances with imbalances incurred for similar time periods under other gas transportation service agreement(s) between Company and Shipper's Agent, or other Receiving Parties that similarly have designated Shipper's Agent as agent for purposes of managing gas transportation imbalances. Receiving Shipper acknowledges and agrees that Company's reporting of gas transportation imbalances for the GTSA will not reflect Receiving Shipper's share of the gas transportation imbalances attributable to Shipper's Agent on an aggregate basis. In the event this Agency Agreement is revoked or terminated and any Imbalance incurred pursuant to the terms hereof remain outstanding and Shipper's Agent fails to resolve such Imbalance, such outstanding Imbalance shall be allocated on a pro rata basis to all Service Agreements, including the GTSA, for which Shipper's Agent was authorized through an Agency Agreement to aggregate Imbalances, based upon the total usage quantities under of such Service Agreement during the period in which such Imbalance arose. In the event any invoiced amounts due by Shipper's Agent for charges, cashouts or penalties incurred as a result of Shipper's Agent responsibilities hereunder remain unpaid, such outstanding charges and penalties shall be allocated among such Service Agreements on the same pro rata basis as provided herein for allocating Imbalance quantities. A Receiving Shipper electing Aggregate Balancing acknowledges that, to the extent the GTSA provides for gas transportation from specific Receipt Point(s) at charges at less than the standard rates and charges applicable under Company's tariff (i.e., a path-specific discount), Company's standard gas transportation rates and charges shall apply.

Authorized by
Receiving Shipper:

Accepted by
Shipper's Agent:

Advice Letter Number 63

Officer, Title

Issue Date

Decision Number _____

Effective Date

