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July 5, 2006
Advice No. 32 - Gas

Public Utilities Commission of the State of Colorado
1580 Logan Street, OL- 2
Denver, Colorado 80203

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**PUBLIC UTILITIES COMMISSION
STATE OF COLORADO**

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. 1 –GAS

and the following sheets are attached:

<u>Colorado P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancels</u> <u>Colorado P.U.C. Sheet No</u>
Second Amended Sheet 3	Natural Gas Rates	First Amended Sheet 3
Third Amended Sheet 4	Natural Gas Rates	Second Amended Sheet 4
Second Amended Sheet 5	Natural Gas Rates	First Amended Sheet 5
First Amended Sheet 5A	Natural Gas Rates	Original Sheet 5A
First Amended Sheet 5B	Natural Gas Rates	Original Sheet 5B
Second Amended Sheet 6	Natural Gas Rates	First Amended Sheet 6
Fifth Amended Sheet 7	Natural Gas Rates	Fourth Amended Sheet 7
Fifth Amended Sheet 8	Natural Gas Rates	Fourth Amended Sheet 8
Fifth Amended Sheet 9	Natural Gas Rates	Fourth Amended Sheet 9
Eleventh Amended Sheet 9A	Natural Gas Rates	Tenth Amended Sheet 9A
First Amended Sheet 9B	Natural Gas Rates	Original Sheet 9B
First Amended Sheet 9C	Natural Gas Rates	Original Sheet 9C
First Amended Sheet 9D	Natural Gas Rates	Original Sheet 9D
First Amended Sheet 9E	Natural Gas Rates	Original Sheet 9E
Fifth Amended Sheet 10	Natural Gas Rates	Fourth Amended Sheet 10
Fifth Amended Sheet 11	Natural Gas Rates	Fourth Amended Sheet 11
Fifth Amended Sheet 12	Natural Gas Rates	Fourth Amended Sheet 12
Thirteenth Amended Sheet 12A	Natural Gas Rates	Twelfth Amended Sheet 12A
Fifth Amended Sheet 14	Natural Gas Rates	Fourth Amended Sheet 14
First Amended Sheet 15A	Natural Gas Rates	Original Sheet 15A
Second Amended Sheet 15B	Natural Gas Rates	First Amended Sheet 15B
Fifth Amended Sheet 16	Natural Gas Rates	Fourth Amended Sheet 16
Second Amended Sheet 17	Natural Gas Rates	First Amended Sheet 17

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CNG is proposing to increase its gas utility base rate revenues by approximately \$2.94 million, or 57 percent, on an annual basis. CNG's proposed base rates are intended to recover 100.00 percent of the annual distribution costs to serve gas customers, based upon revenue requirements of \$8.13 million, as developed based on a test year of the 12 months ending March 31, 2006, 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. The proposed increase is 20.54 percent over total jurisdictional gas service revenues, including gas costs, of \$9.3 million.

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 is an increase of \$2.94 million based on the twelve months ended March 31, 2006, as adjusted. The proposed filing would allow the Company an opportunity to earn a 15.00 percent return on equity and a 9.40 percent overall return on rate base. CNG believes a 15.00 percent return to common equity and a 9.40 percent return on rate base are justified.

Customers of the Company will be affected as shown below. The current average monthly bills include the 2006 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	74	142.69	170.80	28.11	19.70
CG-B	451	824.59	974.70	150.11	18.20
RG-CO	71	127.69	163.32	35.63	27.90
CG-CO	-	-	-	-	-
RG-C	65	130.46	155.16	24.70	18.93
CG-C	505	955.84	1,118.90	163.06	17.06

Notice of this filing will be published in the Denver Post on or about July 7, 2006. 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 July gas bill, scheduled to be mailed July 27, 2006. 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 August 5, 2006.

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Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to:

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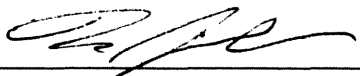
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By: 
Tim Johnston, P.E., Chief Operating Officer