

BEFORE THE PUBLIC UTILITIES COMMISSION
STATE OF COLORADO

2006-11-22 PM 1:21

DOCKET NO. 06S-475G

STIPULATION AND AGREEMENT OF ROCKY MOUNTAIN NATURAL GAS COMPANY, THE STAFF OF THE PUBLIC UTILITIES COMMISSION, A M GAS TRANSFER CORP., UNITED ENERGY TRADING, LLC, AMERICAN GYPSUM COMPANY, AND ENSERCO ENERGY INC., IN RESOLUTION OF PROCEEDING

RE: THE INVESTIGATION AND SUSPENSION OF TARIFF SHEETS FILED BY ROCKY MOUNTAIN NATURAL GAS COMPANY WITH ADVICE LETTER NO. 55

This Stipulation and Agreement in Resolution of Proceeding ("Stipulation") is entered into by and among Rocky Mountain Natural Gas Company ("Rocky Company"), the Staff of the Public Utilities Commission of the State of Colorado ("Staff"), A M Gas Transfer Corp. ("AmGas"), United Energy Trading, LLC ("United"), American Gypsum Company ("American Gypsum") and Enserco Energy Inc. ("Enserco"), collectively referred to as the "Parties." This Stipulation sets forth the terms and conditions by which the Parties have agreed to resolve all outstanding issues presented by Rocky Company's tariff filing made in conjunction with Second Amended Advice Letter No. 55 that have or could have been contested in this proceeding. The Parties state that the results of the compromises reflected herein are a just and reasonable resolution of this proceeding, that reaching agreement as set forth and implementation of the compromises and settlements reflected in this Stipulation will result in substantial savings to all concerned by establishing certainty and avoiding litigation. Except as otherwise provided herein, each party hereto pledges its support of this Stipulation and states that each will defend the settlement reached. Pursuant to Rule 1408 of the Commission's Rules of Practice and

Procedure, the Parties respectfully request that the Commission approve this Stipulation without modification. For those Parties to whom this Stipulation is executed by counsel, such counsel states that (s)he has authority to execute this Stipulation on behalf of his/her client.

I. PROCEEDINGS

On July 25, 2006, Rocky Company filed its Advice Letter No. 55 with the Commission. By that filing, Rocky Company proposed to make certain revisions to its existing Colorado Gas Tariff, Colorado PUC Volume No. 2. The sheets that comprised Rocky Company's tariff filing bore a proposed effective date of September 1, 2006. Notice of the tariff filing was provided to each of Rocky Company's customers not less than ten days prior to the proposed effective date for the tariff filing. On July 28, 2006, the Commission's Staff informed Rocky Company that the notice provided to customers was deficient, and not in compliance with Colorado statutes and the Commission's Rules of Practice and Procedure.

On August 15, 2006, Rocky Company filed its Amended Advice Letter No. 55 with the Commission. The sole purpose of this filing was to provide a revised notice of the filing of Advice Letter No. 55 in a manner that complied with Colorado statutes and the Commission's Rules of Practice and Procedure. Said revised notice of the tariff filing was provided to each of Rocky Company's customers not less than ten days prior to the proposed effective date for the tariff filing, in compliance with Colorado statutes and the Commission's Rules of Practice and Procedure. By this advice letter, Rocky Company did not propose any changes to the tariff sheets filed with Advice Letter No. 55 on July 25, 2006, or in their proposed effective date.

On August 23, 2006, Rocky Company filed its Second Amended Advice Letter No. 55 with the Commission. By that filing, Rocky Company proposed a number of changes to the text of the Volume No. 2 of its Colorado Gas Tariff to address concerns raised by Staff. The

proposed effective date for the tariff sheets filed with Second Amended Advice Letter No. 55 again was September 1, 2006.

On August 30, 2006, the Commission adopted its Decision No. C06-1016 suspending Rocky Company's tariff filing and setting the matter for hearing before an Administrative Law Judge in Docket No. 06S-475G. On or about September 11, 2006, a Notice of Intervention by Staff, Entry of Appearance, Notice Pursuant to Rule 1007(a) and Rule 1403(b), and Request for Hearing was filed by the Staff. On or about September 12, 2006, a Notice of Intervention of Right and Entry of Appearance was filed by the Office of Consumer Counsel. On or about September 27, 2006, a Petition to Intervene was filed by AmGas. On or about September 29, 2006, Petitions to Intervene were filed by American Gypsum, United, and Enserco Energy Inc. By Decision No. R06-1225-I, the Administrative Law Judge assigned to this proceeding granted the petitions to intervene.

II. PROPOSED TARIFF REVISIONS

By its tariff filing, Rocky Company proposed several changes to its Colorado Gas Tariff Volume No. 2. The changes proposed by Rocky Company fall into three principal categories. The first category is comprised of a moderate number of substantive or clarifying changes to the Tariff. The second category is comprised of changes dictated by changes in the Rules Regulating Gas Utilities and Pipeline Operators in the form recently adopted by the Commission. The third category is comprised of a number of non-substantive changes in the nature of general clean-up changes. The proposed changes included in the Tariff Sheets filed with Second Amended Advice Letter No. 55 reflected a substantial number of changes made by the Company following discussions with Commission Staff.

The proposed substantive changes, or clarifying changes to substantive provisions,

address the following subjects: 1) Rocky Company's obligation to provide overrun service; 2) a shipper's obligation to determine an adequate MDTQ for the service provide to it; 3) the term of existing firm transportation contracts; 4) the automatic roll-over of firm transportation contracts under specified circumstances upon their expiration; 5) the impact of *force majeure* events on imbalance cash-outs; 6) the calculation of the fuel/loss reimbursement quantity; 7) required nominations information; 8) the required prior notice for matching transportation receipts with deliveries; 9) the implementation of a daily balancing fee (including addition of a definition of Daily Balancing Period); 10) the addition of Rocky Company's existing form of agency agreement into the Tariff; 11) limiting the applicability of the ITS consent form to on-system transportation service; 12) revisions to the definitions of secondary receipt and delivery points; 13) the timing of service disconnects; 14) deletion of the provision regarding excess flow valve installations; 15) the maximum allowable time periods for adjusting customer bills; 16) revisions to provisions addressing measurement, measurement equipment, new measurement techniques, meter testing, meter testing equipment, meter correction in cases of error, pressure and delivery conditions, quality of gas and quality testing; 17) clarifications to the rules regarding Rocky Company's interactive website; 18) deletion of a confirmation requirement associated with allocations of gas volumes; 19) the manner in which determinations of available capacity shall be determined; 20) elimination of the process addressing a shipper's right to retain firm transportation capacity at the termination of an existing service agreement; 21) a minor revision to the order of service priorities; 22) the methods for communicating Operational Flow Orders ("OFOs"); 23) the treatment of imbalances resulting from compliance with OFOs; 24) the treatment of unauthorized transportation gas on the Rocky Company system; 25) customer-owned facilities; 26) rules regarding inspections made by Rocky Company; 27) the method of

communicating notices to customers; 28) revisions to the form of Transportation Service Agreement; 29) revisions to the form of Transportation Service Request; and 30) revisions to the form of ITS End-Use Party Acknowledgment and Consent.

The proposed changes to conform the tariff to Commission rules address the following subjects: 1) conversions from transport service to sales service; 2) the standard for determination of whether transportation capacity exists; 3) the shipper's obligation to procure gas supply; 4) rules regarding customer deposits; and 5) required terms to be included in Transportation Service Agreements.

The proposed housekeeping changes addressed 1) minor clarifying revisions and corrections of typographic errors; 2) the deletion of references to specific rate sheets in the Rocky Company Tariff; 3) the deletion of references to specific Commission rules from the Tariff; and 4) other miscellaneous changes.

Rocky Company's filing does not propose substantive changes to its existing cost-based rates or rate structure. Rocky Company is projecting no material incremental net revenues and costs as a result of its proposed tariff revisions.

Attached to this Stipulation as Attachment A is a copy of the proposed tariff sheets as filed with the Commission on August 23, 2006 under Second Amended Advice Letter No. 55. Appendix A (a more comprehensive explanation of the foregoing tariff revisions and additions) and Appendix C (a detailed "red-lined" version of its tariff filing showing all of the changes that it is proposing) to Rocky Company's Second Amended Advice Letter No. 55 are incorporated by reference into this Stipulation.

III. SETTLEMENT DISCUSSIONS

As noted above, the tariff sheets filed with Rocky Company's Second Amended Advice

Letter No. 55 reflected a number of revisions to proposed tariff changes made after discussions with Staff. On November 14, 2006, a conference was held at Rocky Company's offices among representatives of the active non-governmental Parties to this proceeding to explore the possibility of settling some or all of the issues of concern to them. Those discussions were successful in producing revisions to Sections 3.5, 7.1.h. and 7.1.i. of Rate Schedule FTS-1 and Sections 7.1.h. and 7.1.i. of Rate Schedule ITS-1 acceptable to all of the active Parties to this proceeding. Staff was not a participant at the November 14, 2006 settlement conference that produced the tariff revisions; nonetheless, Staff has reviewed the substantive language and Staff does not oppose the changes in the tariff revisions agreed to by the active non-governmental Parties.

IV. STIPULATION AND AGREEMENT

The following Stipulation encompasses the agreement reached by the Parties:

1. The Parties agree that the pro forma tariff sheets attached hereto as Attachment A, are just and reasonable and should be approved by the Commission. Except as discussed in paragraph 2 hereof, the pro forma sheets included in Attachment A are in all substantive respects identical to the tariff sheets filed by Rocky Company with its Second Amended Advice Letter No. 55.

2. The Parties agree to the following revisions to the tariff sheets filed with Second Amended Advice Letter No. 55:

- a. Section 3.5 of Rate Schedule FTS-1 (on Sheet No. 22) is revised to add a reference to Section 5.3.a. of that rate schedule;
- b. Section 7.1.h. of Rate Schedules FTS-1 and ITS-1, on Sheet Nos. 34 and 49) is revised to provide detail regarding the time (including a deadline) and the

content of notices issued under that section, as well as the timing of nominations provided by shippers to comply with the notice, and Rocky Company's obligation to process and schedule those nominations if they are submitted for the purpose of complying with the notice; and

c. Section 7.1.i. of Rate Schedules FTS-1 and ITS-1 (on Sheet Nos. 34 and 49) is revised to clarify that the determination of a variance upon which a daily balancing fee would be based is made as of the end of the applicable gas day included within the daily balancing period, and to state that Rocky Company will not assess the fee on any shipper that has complied with the directive in the notice issued it by Rocky Company.

d. Rocky Company has added to each Tariff sheet included in Attachment A, the appropriate symbols required by Rule 4109(c) of the Commission's Rules Regulating Gas Utilities and Pipeline Operators, using the symbols listed on Sheet No. 4 of Rocky Company's Tariff.

The revisions to Tariff provisions addressed in subparagraphs a., b., and c. of this paragraph are shown in Attachment B to this Stipulation and Agreement, in red-lined form, showing all changes made to the text of these provisions from the text filed with Second Amended Advice Letter No. 55. The Parties agree that the revisions shown in Attachment B to this Stipulation are just and reasonable and should be adopted by the Commission.

3. The Parties state that adopting the proposed tariff sheets included in Attachment A to this Stipulation and Agreement, which include the revisions shown in Attachment B hereto, is in the public interest. The Parties request an effective date for said tariff changes of January 1, 2007.

IV. IMPLEMENTATION AND EFFECTIVE DATE

4. This Stipulation shall not become effective and shall be of no force and effect until issuance of a final Commission order that accepts and approves this Stipulation in all material respects. If this Stipulation is rejected by the Commission, then this Stipulation shall be null and void and of no force and effect in this or any other proceeding. In the event the Commission requires any material modification of the terms and conditions set forth in this Stipulation that is unacceptable to any of the Parties hereto, such Party shall notify the other Parties within ten (10) days after the date the Commission's decision becomes final, which shall be effective notice to render this Stipulation null and void, after which this Stipulation shall be considered null and void and of no force and effect in this or any other proceeding. In the event that this Stipulation is not approved, this Stipulation, the settlement terms and conditions, as well as the negotiations and discussions undertaken in conjunction with the Stipulation, shall not be admissible into evidence in this or any other proceeding.

5. The Parties request that the Commission, upon approval of the Stipulation in all material respects, direct Rocky Company to make a compliance filing with the Commission to file tariff sheets in compliance with this Stipulation. The Parties request that the Commission allow the tariff changes provided for in this Stipulation to become effective on January 1, 2007. Once the compliance filing has been made, these tariff changes shall then become final and effective tariff provisions and shall not be subject to modification except in accordance with the Colorado Public Utilities Law and the Commission's Rules and Regulations promulgated thereunder.

V. OTHER TERMS AND CONDITIONS

6. The Parties hereby agree that this Stipulation reflects a compromise and

settlement of all issues raised or that could have been raised in this proceeding. This Stipulation shall be filed as soon as possible with the Commission for Commission approval.

7. Approval by the Commission of this Stipulation shall constitute a determination that the Stipulation represents a just, equitable and reasonable resolution of issues that were or could have been contested among the Parties. The Parties state that reaching agreement as set forth herein by means of a negotiated settlement rather than through a formal adversarial process is in the public interest and that the results of the compromises and settlements reflected in this Stipulation are in the public interest. Each Party hereto pledges its support of this Stipulation and urges the Commission to approve the Stipulation, in its entirety, without modification, subject to the terms and conditions herein.

8. Notwithstanding the resolution of the issues set forth in this Stipulation, none of the methodologies or tariff principles herein contained shall be deemed by the Parties to constitute a settled practice or precedent in any future proceeding, and nothing herein shall constitute a waiver by any Party with respect to any matter not specifically addressed herein. Further, by entering into this Stipulation, no party shall be deemed to have agreed to any principle or method of rate design.

8. Except as otherwise provided herein, nothing said, admitted or acknowledged in the negotiations leading up to the execution of this Stipulation, the settlement terms and conditions contained in this Stipulation, or the Stipulation itself, may be used in this or any other administrative or court proceeding by any of the Parties hereto.

9. The parties agree that nothing contained in this Stipulation shall constitute any precedent, admission, concession, acknowledgment or agreement which may be used by or against the parties in any subsequent proceeding before the Commission or otherwise.

10. The Parties agree to a waiver of compliance with any requirements of the Commission's rules and regulations to the extent necessary to permit all provisions of this Stipulation to be carried out and effectuated.

11. This Stipulation may be executed in counterparts, each of which when taken together shall constitute the entire Stipulation.

DATED this 22nd day of November, 2006.

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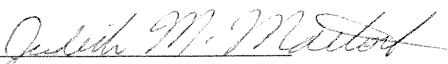
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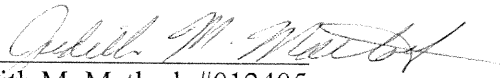
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BEFORE THE PUBLIC UTILITIES COMMISSION

STATE OF COLORADO

DOCKET NO. 06S-475G

STIPULATION AND AGREEMENT OF ROCKY MOUNTAIN NATURAL GAS COMPANY, THE STAFF OF THE PUBLIC UTILITIES COMMISSION, A M GAS TRANSFER CORP., UNITED ENERGY TRADING, LLC, AMERICAN GYPSUM COMPANY, AND ENSERCO ENERGY INC., IN RESOLUTION OF PROCEEDING

RE: THE INVESTIGATION AND SUSPENSION OF TARIFF SHEETS FILED BY ROCKY MOUNTAIN NATURAL GAS COMPANY WITH ADVICE LETTER NO. 55

ATTACHMENT A

SETTLEMENT TARIFF SHEETS

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Second Revised Sheet No. 1
Cancels First Revised Sheet No. 1

Table of Contents

<u>Description</u>	<u>Sheet Number</u>
Table of Contents	1
Key to Symbols Indicating Revisions to Tariff Sheets	4
Preliminary Statement.....	5
Territory Served (System Map)	6
Specific Classifications of Service.....	7
Statement of Effective Rates, Charges and Fees	
- General Resale Service (GRS-1)	8
- Assessments Applicable to All Transportation Service Rate Schedules	9
- Firm Transportation Service (FTS-1)	10
- Interruptible Transportation Service (ITS-1)	10
Rate Schedules	
- General Resale Service (GRS-1)	11
- Firm Transportation Service (FTS-1)	18
- Interruptible Transportation Service (ITS-1)	35
General Terms and Conditions	
Section 1 - Applicability	51
Section 2 - Definitions and Interpretive Matters	51
Section 3 - Conditions for Refusal of or Discontinuance of Service	58
Section 4 - Service Deposits.....	61
Section 5 - Customer Service Connection and Additional Facilities Policies and Payments.....	64
Section 6 - Temporary Service.....	67
Section 7 - Gas Cost Adjustment	67
Section 7A - Litigated Settlement Special Rate Surcharge (LSSRS).....	69A

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Third Revised Sheet No. 2
Cancels Second Revised Sheet No. 2

Table of Contents

<u>Description</u>	<u>Sheet Number</u>
General Terms and Conditions, cont.	
Section 8 - Special Contract Rate.....	70
Section 9 - Billing and Payment.....	70
Section 10 - Measurement.....	73A
Section 11 - Measurement Equipment	77
Section 12 - New Measurement Techniques.....	78
Section 13 - Calibration and Test of Meters	78
Section 14 - Correction of Meter Errors.....	79
Section 15 - Pressure and Delivery Conditions.....	80
Section 16 - Quality of Gas	80
Section 17 - Possession of, Title to, and Warranty of Gas.....	82A
Section 18 - Interactive Website.....	84
Section 19 - Scheduling Principles.....	87
Section 20 - Determination of Receipts and Deliveries	88
Section 21 - Allocation of Available Capacity.....	89
Section 22 - Reserved for Future Use	90
Section 23 - Continuous Service	94
Section 24 - Limitations on Obligations	94
Section 25 - Operations by the Company and Customers.....	99
Section 26 - Operational Controls	100
Section 27 - Company Property	108A
Section 28 - Company and Customer Piping	108A
Section 29 - Customer-Owned Facilities	111
Section 30 - Inspection by Company	111
Section 31 - Relocation of Facilities	112
Section 32 - Disconnection for Dangerous Condition Found on Customer's Premises.....	112
Section 33 - Liability.....	113
Section 34 - Remedies.....	114

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Second Revised Sheet No. 3
Cancels First Revised Sheet No. 3

Table of Contents

Description

Sheet Number

General Terms and Conditions, cont.

Section 35 - Tariff Subject to Revision.....	114
Section 36 - Governmental Regulations (Duly Constituted Authorities) ...	115
Section 37 - Alteration of Rules and Regulations.....	115
Section 38 - Non-Waiver of Future Default.....	115
Section 39 - Notices	116

Miscellaneous Forms

Form of Service Agreement - General Resale Service	117
Form of Service Agreement - Firm Transportation Service	120
Form of Service Agreement - Interruptible Transportation Service	123B
Form of Transportation Service Request	124
Form of Interruptible Transportation Service	
End-Use Party Acknowledgment and Consent.....	131
Form of Credit Application.....	132
Form of Agreement Covering Advances in Aid of Construction	136
Form of Agency Agreement	139

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 4
Cancels Original Sheet No. 4

KEY TO SYMBOLS INDICATING REVISIONS TO TARIFF SHEETS

- R - to signify reduction in rate, charge or fee
- I - to signify increase in rate, charge or fee
- C - to signify changed regulation
- T - to signify a change in text but no change in rate or regulation
- S - to signify reissued matters
- N - to signify new rate or regulation
- D - to signify location where discontinued rate or regulation appeared

As an alternative to the above symbols, changes may be reflected in legislative format (additions underlined, deletions stricken through).

N

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 5
Cancels Original Sheet No. 5

PRELIMINARY STATEMENT

This Volume No. 2 of the Company's Colorado Gas Tariff contains the Rates and Charges, Rate Schedules, General Terms and Conditions, and Miscellaneous Forms applicable to the Resale Service and Transportation Services performed by the Company pursuant to certificates of public convenience and necessity issued by the Colorado PUC. To the extent the provisions of this Tariff are inconsistent with the Colorado Public Utilities Commission's Rules Regulating Gas Utilities and Pipeline Operators, the Commission's Rules Regulating Gas Utilities and Pipeline Operators shall govern, unless a waiver of those rules is in place.

C

The Company is a corporation organized and existing under the laws of the State of Colorado. Its principal office is located at 370 Van Gordon Street, Lakewood, Colorado, 80228-8304. The Company is a wholly-owned subsidiary of Kinder Morgan, Inc. The Company has facilities in place to sell, transport and deliver Natural Gas to or for Customers located in the counties of Delta, Eagle, Garfield, Mesa, Montrose, Ouray, Pitkin, San Miguel, Rio Blanco and Moffat, Colorado.

C

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

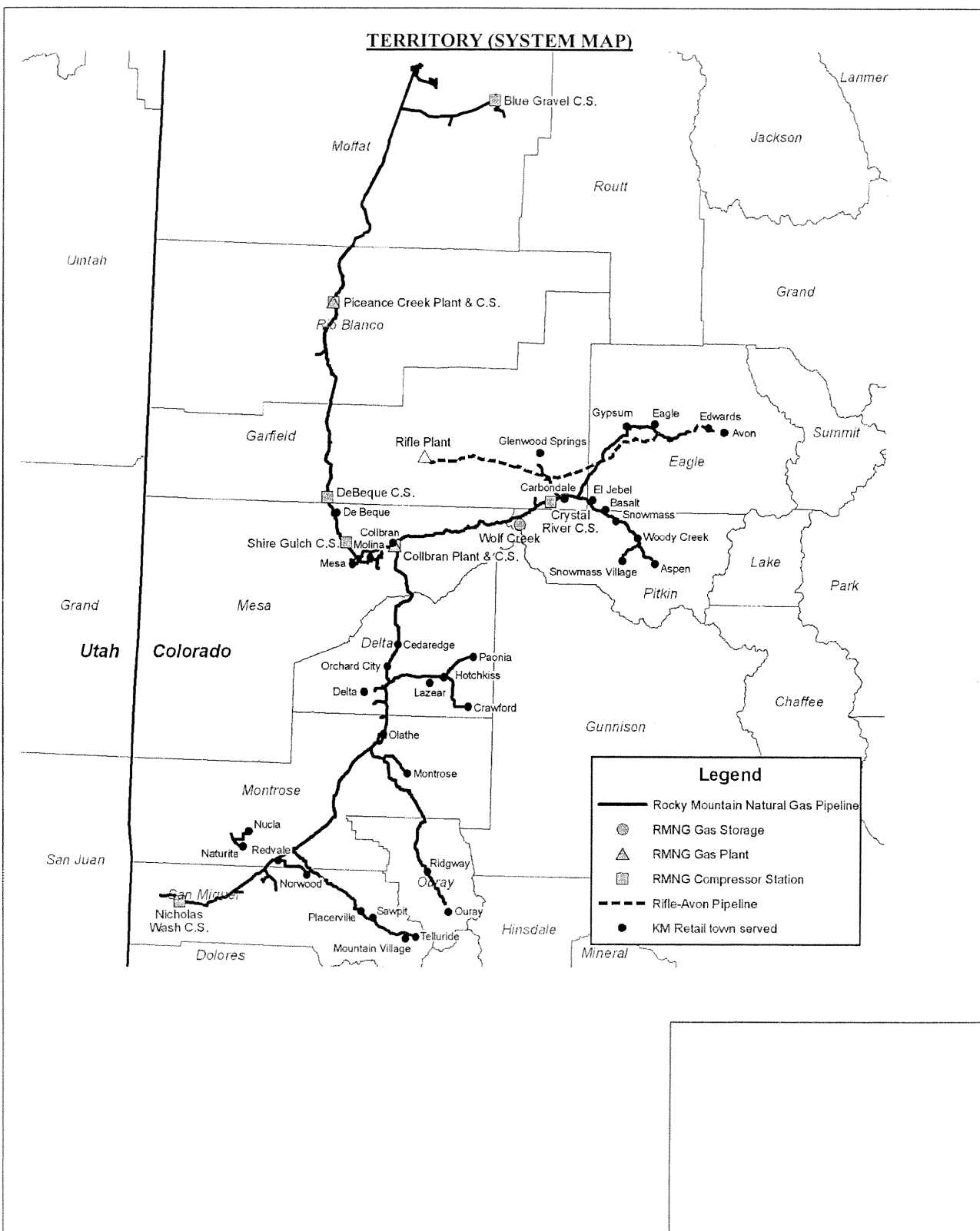
Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 6
Cancels Original Sheet No. 6



Advice Letter No. 55 - 2nd Amended

(SETTLEMENT)

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date: September 1, 2006

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Sixteenth Revised Sheet No. 8
Cancels Fifteenth Revised Sheet No. 8

GENERAL RESALE SERVICE (GRS-1) – STATEMENT OF RATES

<u>Type of Charge</u>	<u>Tariff Rate</u> \$	<u>Gas Cost Adjustment</u>		<u>Rate After Adjustment</u> \$
		<u>Current*</u> \$	<u>Cumulative**</u> \$	
<u>Demand Charge</u>				
Per Mcf of Contract Demand per Month	5.8846			5.8846
Litigated Settlement Special Rate Surcharge ("LSSRS") 4/				
Per Mcf delivered per Monthly Billing Period	0.2699			0.2699
<u>Commodity Charge</u>				
Per Mcf delivered per Monthly Billing Period	4.1595	3.7993	8.6624	12.8219
<u>Authorized Overruns</u>				
Per Mcf delivered per Monthly Billing Period	2.0357 3/			
<u>Unauthorized Overruns</u>				
Per Mcf in excess of Tolerance delivered per Monthly Billing Period	6.0000 3/			
<u>Base Gas Cost and Adjustments</u>				
Base Gas Cost	2.4637	4.4403	8.8430	11.3067
Gas Cost Recovery Adjustment	---	(0.6410)	(0.1806)	(0.1806)
Total	<u>2.4637</u>	<u>3.7993</u>	<u>8.6624</u>	<u>11.1261</u>

Notes:

- 1/ The current GCA is the rate change from the last GCA filing.
- 2/ The cumulative GCA is the rate change from the stated Tariff rate.
- 3/ Plus the highest spot gas price listed in Gas Daily's Daily Price Survey relative to Colorado Interstate Gas Company, Northwest Pipeline Corporation and Questar Pipeline Company, applicable to the "Rockies" (Rocky Mountain) region, for the Day that the unauthorized overrun occurred.
- 4/ Pursuant to Section 7A of the General Terms and Conditions of this Tariff.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Thirteenth Revised Sheet No. 8A
Cancels Twelfth Revised Sheet No. 8A

GENERAL RESALE SERVICE (GRS-1) STATEMENT OF RATES
Category Cost Determination

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<u>Rate</u> <u>Schedule</u> \$	<u>Commodity</u> <u>Charge 3/</u> \$	<u>Distribution</u> <u>Charge</u> \$	<u>Upstream</u> <u>Pipeline Charge</u> \$	<u>Total</u> <u>Commodity Charge 1/</u> \$	<u>LSSRS 3/</u> \$	<u>Demand</u> <u>Charge 2/</u> \$
GRS-1	11.0733	1.6958	0.0528	12.8219	0.2699	5.8846

1/ per Mcf delivered per Monthly Billing Period

2/ per Mcf of Contract Demand per Month

3/ Litigated Settlement Special Rate Surcharge (LSSRS) per Mcf delivered per Monthly Billing Period; applied pursuant to Section 7A of the General Terms and Conditions of this Tariff.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Fourth Revised Sheet No. 9
Cancels Third Revised Sheet No. 9

**FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE
(FTS-1 AND ITS-1)
STATEMENT OF RATES**

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Assessments Applicable to all Transportation Service Rate Schedules

Fuel/Loss Reimbursement Quantity	The Company shall be entitled to retain a percentage of all Mcfs of Gas received for transportation. The percentage shall be	2.68%
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Monthly Administrative Fee

First meter at a Delivery Point for Firm and Interruptible Service Agreements with initial terms of twelve consecutive Months or longer	\$200.00
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First meter at a customer location for Interruptible contracts with initial terms of less than twelve consecutive months	\$250.00
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Regardless of the term of the Firm or Interruptible Service Agreement, additional meters at a Delivery Point	\$ 75.00
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The monthly administrative fee applies to all Delivery Points except for Kinder Morgan, Inc. Delivery Points.

Advice Letter No. 55 Settlement

Bentley W. Breland
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Authority No.

Vice President
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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Fourth Revised Sheet No. 10
Cancels Third Revised Sheet No. 10

FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE (FTS-1 AND ITS-1) STATEMENT OF RATES				
<u>Rate Schedule</u>	<u>Type of Service</u>	<u>Type of Charge</u>	<u>Maximum Rate 1/ \$</u>	<u>Minimum Rate 1/ \$</u>
FTS-1	Firm	<u>Reservation Charge</u> (Per Mcf of MDTQ per Month)	4.6720	0.3042
		<u>Commodity Charge</u> (Per Mcf delivered per Monthly Billing Period)	0.9127 <u>3/</u>	0.0325
		<u>Authorized Overruns</u> (Per Mcf delivered per Monthly Billing Period)	1.2128 <u>3/</u>	0.0425
		<u>Unauthorized Overruns</u> (Per Mcf in excess of Tolerance delivered per Monthly Billing Period)	6.0000 <u>2/</u>	
ITS-1	Interruptible	<u>Commodity Charge</u> (Per Mcf delivered per Monthly Billing Period)	0.9127 <u>3/</u>	0.03252
		<u>Unauthorized Overruns</u> (Per Mcf in excess of Tolerance delivered per Monthly Billing Period)	6.0000 <u>2/</u>	
Notes				
<u>1/</u>	Rates are stated in Mcf at a Pressure Base of 14.73 p.s.i.a.			
<u>2/</u>	Plus the highest spot gas price listed in <u>Gas Daily's</u> Daily Price Survey relative to Colorado Interstate Gas Company, Northwest Pipeline Corporation and Questar Pipeline Company, applicable to the "Rockies" (Rocky Mountain) region, for the Day that the unauthorized overrun occurred.			
<u>3/</u>	Amount includes LSSRS of \$0.2699, pursuant to Section 7A of the General Terms and Conditions of this Tariff.			

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 17
Cancels Original Sheet No. 17

GENERAL RESALE SERVICE
RATE SCHEDULE GRS-1

- e. OTHER RATES, CHARGES AND FEES. Where applicable, the Company will add to the Buyer's monthly bill any other rates, charges, fees or assessments that the Company is authorized to charge the Buyer under this Tariff.

The minimum monthly bill shall be equal to the demand charge. Except as otherwise provided in this Tariff, in the event of a force majeure occurrence as defined in Section 24, Limitations on Obligations, of the General Terms and Conditions of this Tariff, the Buyer shall not be relieved of its obligation to make payment of amounts then due or which become due hereunder.

5. SCHEDULING OF DELIVERIES

- 5.1 NOMINATIONS. The Buyer is only required to make nominations when it (1) desires to exceed its Contract Demand applicable to a Delivery Point, or (2) desires to exceed its total Contract Demand. In such instances, the Buyer shall nominate using the applicable nominations procedures stated in Rate Schedule FTS-1 of this Tariff.
- 5.2 SALE AND DELIVERY OF GAS. Subject to Section 24, Limitations on Obligations, of the General Terms and Conditions of this Tariff, the Company shall sell and deliver to Buyer quantities of Gas up to the Buyer's Contract Demand applicable to each Delivery Point or, if different, its Confirmed Nominations quantity.
- 5.3 DETERMINATION OF DELIVERIES. As set forth in Section 20, Determination of Receipts and Deliveries, of the General Terms and Conditions of this Tariff.

6. CONVERSION TO TRANSPORTATION SERVICE

If a Customer receiving service under this Rate Schedule GRS-1 converts all, or a portion, of its service to Firm Transportation Service, then the Customer must reapply for General Resale Service in the future should the Customer choose to convert the Transportation portion of its service back to General Resale Service. The Company may charge such Customer fees equivalent to those charged a new General Resale Service Customer. Further, the Company shall not be required to refund any monies paid by the Customer to the Company for equipment or construction associated with the terminated Transportation Service.

7. TERMS AND CONDITIONS

The applicable General Terms and Conditions of this Tariff hereby are made a part of this Rate Schedule. To the extent that said General Terms and Conditions are inconsistent with the provisions of this Rate Schedule, the provisions of this Rate Schedule shall govern.

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 18
Cancels Original Sheet No. 18

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

1. AVAILABILITY

This Rate Schedule is available for transportation of Natural Gas through the Company's facilities on a firm basis for any Shipper, when:

- 1.1 The Shipper has requested to have Gas transported under this Rate Schedule.
- 1.2 The Shipper and the Company have executed a Service Agreement in the form set forth in this Tariff for service under this Rate Schedule.
- 1.3 The Company has determined, through use of its hydraulic capacity determination model, that it will have available sufficient uncommitted peak day Capacity to provide the firm service requested by the Shipper without the addition by the Company of facilities or the expansion of the Capacity of the Company's pipeline system, unless the Company has waived this requirement in writing in a non-discriminatory manner, or the Shipper has executed an Agreement Covering Advances in Aid of Construction in the form set forth in this Tariff pursuant to Section 5, Customer Service Connection and Additional Facilities Policies and Payments, of the General Terms and Conditions of this Tariff.
- 1.4 Except as provided in Section 21, Allocation of Available Capacity, of the General Terms and Conditions of this Tariff, service under this Rate Schedule will be contracted for on a first-come, first-served basis.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to the firm transportation of Natural Gas on the Company's system as defined in this Tariff. Such Transportation Service shall include forward-haul and exchange service.

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 21
Cancels Original Sheet No. 21

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

- 2.4 Pursuant to this Rate Schedule, the Company may, on any Day that sufficient uncommitted capacity on Transporting Pipelines and Company Capacity are available, receive and deliver a quantity of Gas in excess of the Shipper's Maximum Daily Transportation Quantity.
- 2.5 Service under this Rate Schedule shall be provided on a non-discriminatory basis.
- 2.6 Service under this Rate Schedule is subject to the provisions of this Rate Schedule, the General Terms and Conditions set forth in this Tariff, the terms of Shipper's executed Service Agreement with the Company, and any applicable gas transportation rules of the Colorado PUC promulgated at 4 Code of Colorado Regulations 723-4. The Company shall not be required to perform service under this Rate Schedule on behalf of any Shipper that fails to comply with any and all of said provisions.
- 2.7 A Customer under this Rate Schedule FTS-1 is solely responsible for its own gas procurement. The Company shall have no sales service obligation to such Customer.

3. REQUIREMENTS FOR TRANSPORTATION SERVICE

- 3.1 REQUEST FOR SERVICE. All Shippers, or their authorized agents, requesting Transportation Service under this Rate Schedule shall complete a Transportation Service Request in the form set forth in this Tariff and, if a waiver of the credit information requirement has not been granted by the Company pursuant to Section 4, Service Deposits, of the General Terms and Conditions of this Tariff, provide the following credit information:
- a. A copy of the Shipper's most recent audited financial statements or, at the Company's option, a bank reference satisfactory to the Company;
 - b. A copy of the Shipper's most recent Annual Report and SEC Form 10-K, if applicable; and
 - c. A completed Credit Application, the form of which is contained in this Tariff.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 22
Cancels Original Sheet No. 22

**FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1**

No request for firm Transportation Service will be entered on the Company's log, or Gas scheduled for receipt and delivery, until the foregoing information (including a completed Transportation Service Request and a Credit Application, if required) has been received by the Company. The foregoing information is to be sent to:

Rocky Mountain Natural Gas Company
P.O. Box 281304
Lakewood, Colorado 80228-8304

Attention: Transportation Department

- 3.2 EXECUTION OF SERVICE AGREEMENT. A firm Transportation Service Agreement shall be executed by the Shipper, or the Shipper's duly authorized agent, within thirty (30) days of being tendered to the Shipper by the Company, following the Company's acceptance of the terms of the Shipper's request for service, as proposed by the Shipper or as modified by mutual agreement of the Shipper and the Company.
- 3.3 SERVICE DEPOSIT. The Company may require a Shipper to provide a service deposit to the Company as provided in Section 4, Service Deposits, of the General Terms and Conditions of this Tariff.
- 3.4 FILING FEES. In addition to any other payments, charges or fees required by this Tariff, the Shipper shall pay the Company any and all filing and approval fees required in connection with the Shipper's Service Agreement that the Company is obligated to pay to any governmental authority having jurisdiction. Any amount due the Company by the Shipper under this section shall be paid within ten (10) days of the date of the invoice rendered by the Company for such amount.
- 3.5 Shipper shall be responsible for ensuring that the Maximum Daily Transportation Quantity is sufficient to meet the maximum quantity an End-Use party uses at its individual Delivery Point(s). If Shipper's Maximum Daily Transportation Quantity at any Delivery Point(s) is overrun by the End-Use Party, Transporter may increase Shipper's Maximum Daily Transportation Quantity pursuant to the terms and conditions of Section 5.3a of this Rate Schedule.

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Advice Letter No. 55 Settlement
Decision or
Authority No.

Bentley W. Breland
Issuing Officer
Vice President
Title

Issue Date:
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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Second Revised Sheet No. 23
Cancels First Revised Sheet No. 23

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

4. TERM OF SERVICE AGREEMENT

- 4.1 Service Agreements for Firm Transportation Service under this Rate Schedule must be for a period of one year or more.
- 4.2 Firm Transportation Service shall commence and terminate upon the dates specified in the Service Agreement. Unless a different term is otherwise mutually agreed upon between the Company and Shipper, Firm Transportation Service to a Shipper paying the maximum rate shall continue from year to year after the initial term of the Service Agreement, until terminated as of the end of any contract year upon a minimum of thirty (30) days' written notice from such Shipper to the Company.

5. RATES AND MONTHLY BILL

- 5.1 BASIC RATES. The basic rates, including surcharges, for service under this Rate Schedule are set forth in this Tariff, as revised from time to time.
- 5.2 MAXIMUM AND MINIMUM RATES. Where a maximum rate and a minimum rate have been established with respect to an applicable rate, the Company shall charge the Shipper a rate that is no higher than the maximum rate nor lower than the minimum rate so established. The Company shall charge the maximum rate unless otherwise agreed to in writing with the Shipper. Any discounts from the applicable maximum rate shall be granted on a non-discriminatory basis.

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2

Second Revised Sheet No. 24

Cancels First Revised Sheet No. 24

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

- 5.3 MONTHLY BILL. Commencing with the first Monthly Billing Period in which the Shipper's Service Agreement for service under this Rate Schedule is effective, and each Monthly Billing Period thereafter during the term of the Service Agreement, the Company shall charge and the Shipper shall pay the Company the sum of the following amounts:
- a. RESERVATION CHARGE. Except as provided in Section 5.2 of this Rate Schedule, the monthly reservation charge shall be the maximum rate for Rate Schedule FTS-1 set forth on Sheet No. 10 of this Tariff, as revised from time to time, multiplied by the Maximum Daily Transportation Quantity (MDTQ) specified in the Service Agreement between the Shipper and the Company; provided that the Company unilaterally may increase the Shipper's MDTQ if the Shipper overruns the quantity specified in such Service Agreement on four (4) or more Days in any Month. The increased MDTQ shall be reflected on the bill for the month in which the increase occurred.
 - b. COMMODITY CHARGE. Except as provided in Section 5.2 of this Rate Schedule, the monthly commodity charge shall be the maximum rate for Rate Schedule FTS-1 set forth on Sheet No. 10 of this Tariff, as revised from time to time, multiplied by the volume of Gas in Mcf delivered by the Company hereunder during the Monthly Billing Period to the Shipper or for the Shipper's account at any Delivery Point, provided that any volumes of Gas taken as authorized overruns under paragraph d. (1) of this section, or as unauthorized overruns that are not subject to the unauthorized overrun penalty charge specified in paragraph d. (2) of this section, shall not be included in the volume of Gas that is subject to the charge specified in this paragraph b.

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 25
Cancels Original Sheet No. 25

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

- c. ADMINISTRATIVE FEE. The monthly administrative fee shall be the sum of the applicable rates set forth in this Tariff for Rate Schedule FTS-1, as revised from time to time, reflecting the number of delivery meters covered by the Service Agreement hereunder between the Shipper and the Company and the term of the Service Agreement.
- d. DAILY OVERRUN CHARGES.
 - (1) Authorized Overrun Charge. If on any Day sufficient uncommitted capacity on Transporting Pipelines and Company Capacity are available and the Shipper desires to transport Gas exceeding the Maximum Daily Delivery Quantity applicable to a Delivery Point, or in the aggregate exceeding the Shipper's Maximum Daily Transportation Quantity, the Company may authorize delivery of said Gas by confirming nominations in excess of such quantities. Except as provided in Section 5.2 of this Rate Schedule, the monthly authorized overrun charge shall be the applicable maximum rate for Rate Schedule FTS-1, as revised from time to time, multiplied by the total volume of daily authorized overrun Gas in Mcf delivered by the Company hereunder during the Monthly Billing Period to the Shipper or for the Shipper's account at any Delivery Point.

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 26
Cancels Original Sheet No. 26

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

- (2) Unauthorized Overrun Charge. A daily overrun penalty charge shall be paid by any Shipper who (a) takes a daily quantity of Gas which was not nominated and confirmed which exceeds the Maximum Daily Delivery Quantity applicable to a Delivery Point, or (b) exceeds the level to which deliveries have been curtailed for the Day, or (c) in the aggregate exceeds its Maximum Daily Transportation Quantity plus any authorized overruns for the Day. Quantities of overrun Gas taken on any Day in excess of five percent (5%) over the above quantities (the "tolerance") will be subject to a charge equal to the applicable unauthorized overrun rate for that Day set forth on the applicable rate sheet of this Tariff, as revised from time to time, for Rate Schedule FTS-1. The monthly unauthorized overrun charge shall equal the summation of the daily overrun penalty charges incurred during the Monthly Billing Period.

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For those Shippers whose deliveries are measured by electronic measurement equipment, the Company may only assess an unauthorized overrun charge on unauthorized takes made after expiration of notice provided by the Company to the Shipper that the charge will be assessed. The required notice period for such Shippers is forty-eight (48) hours; provided that the Company may designate a shorter notice period if, in its reasonable judgment, such is deemed necessary to protect its system integrity. Quantities of daily unauthorized overrun Gas taken during the Monthly Billing Period that are less than the tolerance, or for which the required notice has not been given, will be subject to the authorized overrun rate specified in paragraph d.(1) of this section.

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- (3) Notwithstanding the charges provided herein, the Company has the right to reduce receipts or deliveries of Gas in excess of the Maximum Daily Transportation Quantity at any time in its reasonable discretion, as necessary to protect the integrity of its system, including the maintenance of service to other Customers.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 29
Cancels Original Sheet No. 29

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

(4) When a Shipper's Imbalance includes a prior period adjustment (i.e., an increase or decrease in the most recent Monthly Billing Period's Imbalance that represents an adjustment to the Shipper's Imbalance for a previous Monthly Billing Period), the Shipper will be allowed to cure the Imbalance associated with the prior period adjustment through the procedures set forth in subparagraphs (1) and (2) of this paragraph 5.3.e. Any such Imbalance associated with the prior period adjustment that is not fully cured under said procedures shall be cashed out at 100% of the price established by subparagraph (3) of this paragraph 5.3.e as calculated for the Monthly Billing Period to which the prior period adjustment relates.

f. LATE PAYMENT CHARGES. Except when the Shipper is a Residential Service End-Use Party, any amounts billed to a Shipper that are not paid within twenty-five (25) days of the bill date shall be subject to a late payment charge of 1.5% per Month.

g. OTHER RATES, CHARGES AND FEES. Where applicable, the Company will add to the Shipper's monthly bill any other rates, charges, fees or assessments that the Company is authorized to charge the Shipper under this Tariff.

Except as otherwise provided in this Tariff, in the event of a force majeure occurrence as defined in Section 24, Limitations on Obligations, of the General Terms and Conditions of this Tariff, the Shipper shall not be relieved of its obligation to make payment of amounts then due or which become due hereunder.

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

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Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 30
Cancels Original Sheet No. 30

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

5.4 RESELLING OF CAPACITY PROHIBITED. Reselling of Capacity provided by the Company to a Shipper hereunder may subject the Shipper to regulation by the Colorado PUC and is prohibited. In those instances where the Shipper is not the End-Use Party, the Shipper shall charge the End-Use Party(ies) on whose behalf the Shipper is transporting Gas hereunder only such amount for the Transportation Service provided hereunder as the Shipper is billed by the Company pursuant to this Tariff.

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6. FUEL/LOSS REIMBURSEMENT QUANTITY

6.1 The Company shall be entitled to retain Gas from each Shipper hereunder equal to the Fuel/Loss Reimbursement Quantity. The Fuel/Loss Reimbursement Quantity is stated as a percentage of Gas delivered by the Shipper at the Receipt Point(s). Title to the Fuel/Loss Reimbursement Quantity shall rest in the Company upon receipt at the Receipt Point(s) at no cost, and free and clear of all adverse claims.

6.2 The Company shall recalculate its Fuel/Loss Reimbursement Quantity percentage annually using the prior year's actuals ending May 31, to be filed with the Colorado PUC in accordance with its Rules of Practice and Procedure promulgated at 4 Code of Colorado Regulations 723-1, and in conjunction with the Company's annual Gas Cost Adjustment filing, to be effective November 1, promulgated at 4 Code of Colorado Regulations 723-4.

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6.3 The Company also shall be entitled to make additional deductions of Gas received from a Shipper as allowed by this Tariff.

Advice Letter No. 55 Settlement

Bentley W. Breland
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Authority No.

Vice President
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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 31
Cancels Original Sheet No. 31

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

7. SCHEDULING OF RECEIPTS AND DELIVERIES

7.1 NOMINATIONS. If a Shipper desires transportation of Gas under this Rate Schedule

on any Day, the Shipper shall comply with the following nomination procedures. Any nominations received after a nomination deadline will be scheduled after nominations received before that nomination deadline. All nominations must be submitted electronically.

a. Timing of Nominations.

- (1) First of Month Service. The Shipper submits a nomination by 10:30 a.m., Mountain Time, and such nomination shall be received by the Company by 10:45 a.m., Mountain Time, three (3) business Days prior to the first Day of the Month.
- (2) Next Day Service. The Shipper submits a nomination by 10:30 a.m., Mountain Time, and such nomination shall be received by the Company by 10:45 a.m., Mountain Time, the Day before the Shipper desires service.
- (3) Intra-Day Service. For Type 1 intra-Day service the Shipper submits a nomination after 10:30 a.m., Mountain Time, but before 3:30 p.m., Mountain Time, the Day before the Shipper desires service. For Type 2 intra-Day service the Shipper submits a nomination after 3:30 p.m., Mountain Time, the Day before Gas flow but before 12:00 p.m., Mountain Time, on the Day of Gas flow.
 - (a) Each Day, a Shipper may submit at least one (1) Type 1 or Type 2 intra-Day nomination.
 - (b) Type 1 or 2 intra-Day nominations cannot cause a Shipper to exceed its Maximum Daily Transportation Quantity.
 - (c) Type 1 or 2 intra-Day nominations may be used to request increases or decreases in total flow, changes to Receipt Points or changes to Delivery Points of scheduled Gas.

Advice Letter No. 55 Settlement

Bentley W. Breland
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Colo. PUC No. 2
First Revised Sheet No. 31A
Cancels Original Sheet No. 31A

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

- (d) Any nominations received after 12:00 p.m., Mountain Time, on the Day of flow shall be processed and scheduled on a reasonable efforts basis.
- (e) Intra-Day service nominations will be accepted at "qualified points" only. The criteria for a Receipt Point or Delivery Point to qualify as a "qualified point" are as follows:
 - (i) Electronic flow measurement availability with communications capability to the Company's measurement system.
 - (ii) Location capable of flow adjustment verifiable by the Company and upstream and downstream Transporting Pipelines.
 - (iii) 24 hour telephone contact for upstream and downstream Transporting Pipelines.
 - (iv) The Shipper must advise upstream and downstream Transporting Pipelines to contact the Company.

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The Company may refuse to accept an intra-Day nomination relative to a qualified point if the nomination requires confirmation from an upstream or downstream Transporting Pipeline(s) that is not providing timely confirmations.

Advice Letter No. 55 Settlement

Bentley W. Breland
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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Second Revised Sheet No. 32

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

- b. Content of Nominations. The Shipper shall include in any nomination: 1) the daily quantity of Gas to be received by the Company (including the Shipper's transportation volumes), 2) daily overrun volumes, which may be nominated as a separate transaction, 3) any daily volumes to satisfy past Imbalances, 4) the Fuel/Loss Reimbursement Quantity for volumes at each specified Receipt Point, 5) Receipt Points (primary and/or secondary), 6) the daily quantity to be delivered by the Company at each specified Delivery Point (primary and/or secondary) on the desired Day, 7) Shipper defined beginning and ending dates, and 8) upstream and downstream pipeline contract numbers, if applicable. The total receipt nominations less the Fuel/Loss Reimbursement Quantity and other deductions must equal the equivalent thermal quantity of delivery nominations.
- c. Nominations Flow Rate and Rollover Options. All nominations, including intra-Day nominations, shall be based on daily quantity, thus, an intra-Day nominator need not submit an hourly nomination. Intra-Day nominations shall include an effective date. The interconnected Transporting Pipelines will agree on the hourly flow of the intra-Day nominations, if not otherwise addressed in the Service Agreement or the Company's Tariff. All nominations, excluding intra-Day nominations, have rollover options. Specifically, Shippers have the ability to nominate for several Days, Months, or Years, provided the nomination begin and end dates are within the term of the Shipper's Service Agreement. Intra-Day nominations do not rollover nor do they replace the remainder of a standing nomination. There is no need to re-nominate if an intra-Day nomination modifies an existing nomination.
- d. Confirmation that Nomination Received. Confirmation that first of the Month and next Day nominations have been received will be sent out by the Company to the Shipper by 11:00 a.m., Mountain Time, on the Day nominations are due.

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Advice Letter No. 55 Settlement

Bentley W. Breland
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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 33
Cancels Original Sheet No. 33

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

- e. Confirmation by Transporting Pipelines. The Company will initiate confirmation of all nominations with upstream and downstream Transporting Pipelines with the caveat that the Company may relieve the obligation of Transporting Pipelines to send a confirmation. The Company shall receive confirmations for first of the Month and next Day service from all upstream and downstream Transporting Pipelines by 2:30 p.m., Mountain Time, on the Day nominations are due. The Company shall receive confirmations for intra-Day service from all upstream and downstream Transporting Pipelines at least two (2) hours prior to the requested Gas flow.
- f. Scheduling Order. The Company will schedule Type 1 intra-Day nominations after first of Month and next Day nominations have been scheduled. For Type 1 intra-Day nominations, the Company will provide the Shipper and point operator the scheduled quantities by 6:00 p.m., Mountain Time, on the Day before Gas flow. Type 2 intra-Day nominations will be processed on a first come, first served basis, after first of Month, next Day and Type 1 intra-Day nominations have been scheduled, for Gas flow to begin no later than the start of the Gas Day or four hours from the time of nomination.
- g. Scheduled Quantities. The Company will schedule Gas flow quantities on a daily basis consistent with the priorities established in Section 19, Scheduling Principles, of the General Terms and Conditions of this Tariff. The Company shall provide scheduled quantities for first of Month and next Day nominations by 3:30 p.m., Mountain Time, on the Day before Gas flow to the Shipper and point operator. By the end of each Gas Day, the Company shall make available to the Shipper information containing scheduled quantities, including scheduled intra-Day nominations and any other scheduling changes. An intra-Day service nomination will not be scheduled if it would curtail Gas that is already flowing, regardless of the rate schedule the Gas is flowing under.

S

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

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Effective Date:

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

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

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FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

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- i. Daily Balancing Fee. Upon prior notice to a Shipper consistent with Section 7.1h., above, to adjust inaccurate nominations, a daily balancing fee may be assessed during Daily Balancing Periods when it is determined that the variance between Shipper's actual net receipts and deliveries, as of the end of the applicable Day of the Daily Balancing Period, is in excess of five percent (5%). If said notice is issued by the Company no later than the latest time for issuing notice set forth in Section 7.1h., the first Day of the Daily Balancing Period for which a daily balancing fee can be assessed is the Day in which the notice is issued; however, if the notice is issued by the Company later than the latest time for issuing notice set forth in Section 7.1h., the first Day of the Daily Balancing Period for which a daily balancing fee can be assessed is the Day following the Day in which the notice is issued. The imbalance is determined by subtracting deliveries from net receipts. The imbalance percentage is then determined by dividing the absolute value of the imbalance by the daily deliveries. The daily balancing fee shall be calculated by multiplying the imbalance (in excess of the tolerance level) by the unauthorized overrun charge as stated on the applicable rate sheet of this Tariff. The Company shall not assess a daily balancing fee on a Shipper with respect to any Day of the Daily Balancing Period on which the Shipper complied with the Company's directive to said Shipper, as disclosed in the notification provided under Section 7.1h., either to provide actual net receipts equal to or greater than actual deliveries, or to take actual deliveries equal to or greater than actual net receipts. This provision does not apply to off-system Shippers, as defined in Section 5.3e.(1) of this Rate Schedule, so long as the Company can adjust nominations of off-system receipts and deliveries.

- 7.2 DELIVERY OF GAS. Based upon the daily quantity scheduled and such information as the Company has available concerning the quantity of Gas actually received, and subject to Section 24, Limitations on Obligations, of the General Terms and Conditions of this Tariff, the Company shall make daily Delivery of the Shipper's Confirmed Nominations quantity. Daily deliveries of Gas at the Delivery Point(s) shall be approximately equal to daily receipts of Gas by the Company at the Receipt Point(s) for transportation, less the Fuel/Loss Reimbursement Quantity and any other allowable deductions.

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 34A
Cancels Original Sheet No. 34A

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

- 7.3 DETERMINATION OF RECEIPTS AND DELIVERIES. As set forth in Section 20,
Determination of Receipts and Deliveries, of the General Terms and Conditions of
this Tariff. S
- 7.4 COMMINGLING OF GAS. The Company shall have the unqualified right to
commingle the Shipper's Gas with other Gas in the Company's pipeline system. S
- 7.5 DELEGATION. A shipper may delegate to any third party responsibility for
submitting and receiving notices or nominations or performing other administrative
duties under any Agreement, subject to the following conditions:
- a. Any designation of such a representative, and any change in such designation,
must be in writing and must be submitted at least two (2) business days prior to
the requested effective date as reflected on the Company's Form of Agency
Agreement as contained in this Tariff. C
 - b. The written designation shall specify any limits on the authority of the
representative, including any time limit on the designation; provided, however,
that Company may reject any such limited designation if the limitations specified
in the designation would result in an undue administrative burden.
 - c. The Company may rely on communication from Shipper's designated
representative for all purposes except to the extent the designation is explicitly
limited as specified in the preceding Section 7.5(b). Communications by the
Company to such designated representative shall be deemed notice to Shipper
except to the extent the representative's authority is explicitly limited with respect
the receipt of notice under the procedure set out in said Section 7.5(b).
 - d. Any third party may administer multiple agreements as the designated
representative for one or more Shippers. However, such representative shall
separately administer and account for each such agreement. S

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Original Sheet No. 34B

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE FTS-1

8. CONVERSION TO GENERAL RESALE SERVICE

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Should a Customer receiving service under this Rate Schedule FTS-1, who previously converted all or a portion of its service from General Resale Service under this Tariff, choose to convert the transportation portion of its service back to General Resale Service, the Customer must reapply for the General Resale Service and the Company may charge the Customer fees equivalent to those charged to a new General Resale Service Customer.

9. GENERAL TERMS AND CONDITIONS

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The applicable General Terms and Conditions of this Tariff are hereby made a part of this Rate Schedule. To the extent that said General Terms and Conditions are inconsistent with the provisions of this Rate Schedule, the provisions of this Rate Schedule shall govern.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

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Authority No.

Vice President
Title

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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 35
Cancels Original Sheet No. 35

INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE ITS-1

1. AVAILABILITY

This Rate Schedule is available for transportation of Natural Gas through the Company's facilities on an Interruptible basis for any Shipper, when:

- 1.1 The Shipper has requested to have Gas transported under this Rate Schedule.
- 1.2 The Shipper and the Company have executed a Service Agreement in the form set forth in this Tariff for service under this Rate Schedule.
- 1.3 The Company has determined, through use of its hydraulic capacity determination model, that it will have available sufficient uncommitted peak day Capacity to provide the Interruptible service requested by the Shipper without the addition by the Company of facilities or the expansion of the Capacity of the Company's pipeline system, unless the Company has waived this requirement in writing in a non-discriminatory manner, or the Shipper has executed an Agreement Covering Advances in Aid of Construction in the form set forth in this Tariff pursuant to Section 5, Customer Service Connection and Additional Facilities Policies and Payments, of the General Terms and Conditions of this Tariff.
- 1.4 Except as otherwise provided in this Tariff, service under this Rate Schedule will be contracted for on a first-come, first-served basis.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to the Interruptible transportation of Natural Gas on the Company's system as defined and shown in this Tariff. Such Transportation Service shall include forward-haul and exchange service.

Advice Letter No. 55 Settlement

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Authority No.

Bentley W. Breland
Issuing Officer

Vice President
Title

Issue Date:

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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Second Revised Sheet No. 37
Cancels First Revised Sheet No. 37

INTERRUPTIBLE TRANSPORTATION SERVICE RATE SCHEDULE ITS-1

2.6 Service under this Rate Schedule is Interruptible and is subject to immediate Interruption by the Company without notice, except as otherwise provided in this Tariff. Whenever circumstances permit, the Company will endeavor to give the Shipper advance notice of Interruption of the service provided hereunder via Company's interactive web site, telephone or otherwise and the Shipper shall take all actions necessary and within the Shipper's control to effectuate the Interruption of service (e.g., notify upstream and downstream Transporting Pipelines to cease movement of the Shipper's Gas and End-Use Party(ies) to discontinue use of the Shipper's Gas, etc.)

2.7 Service under this Rate Schedule shall be provided on a non-discriminatory basis.

2.8 Service under this Rate Schedule is subject to the provisions of this Rate Schedule, the General Terms and Conditions set forth in this Tariff, the terms of Shipper's executed Service Agreement with the Company, and any applicable gas transportation rules of the Colorado PUC promulgated at 4 Code of Colorado Regulations 723-4. The Company shall not be required to perform service under this Rate Schedule on behalf of any Shipper that fails to comply with any and all of said provisions.

2.9 A Customer under this Rate Schedule ITS-1 is solely responsible for its own gas procurement. The Company shall have no sales service obligation to such Customer.

3. REQUIREMENTS FOR TRANSPORTATION SERVICE

3.1 REQUEST FOR SERVICE. All Shippers, or their authorized agents, requesting Transportation Service under this Rate Schedule shall complete a Transportation Service Request in the form set forth in this Tariff, and provide the following credit information:

- a. A copy of the Shipper's most recent audited financial statements or, at the Company's option, a bank reference satisfactory to the Company;

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 38
Cancels Original Sheet No. 38

INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE ITS-1

b. A copy of the Shipper's most recent Annual Report and SEC Form 10-K, if applicable; and

c. A completed Credit Application, the form of which is contained in this Tariff.

Shippers, or their authorized agents, also shall be required to submit a completed Interruptible Transportation Service End-Use Party Acknowledgment and Consent in the form set forth in this Tariff for each End-Use Party that will consume Gas that is being transported for the Shipper under this Rate Schedule.

No request for Interruptible Transportation Service will be entered on the Company's log, or Gas scheduled for receipt and delivery, until the foregoing information (including a completed Transportation Service Request, a Credit Application, if required, and all Interruptible Transportation Service End-Use Party Acknowledgment and Consent forms (applicable only to on-system Shippers who have downstream distribution end-use Customers)) has been received by the Company. The foregoing information is to be sent to:

Rocky Mountain Natural Gas Company
P.O. Box 281304
Lakewood, Colorado 80228-8304

Attention: Transportation Department

3.2 EXECUTION OF SERVICE AGREEMENT. An Interruptible Transportation Service Agreement shall be executed by the Shipper, or the Shipper's duly authorized agent, within thirty (30) days of being tendered to the Shipper by the Company, following the Company's acceptance of the terms of the Shipper's request for service, as proposed by the Shipper or as modified by mutual agreement of the Shipper and the Company.

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 41
Cancels Original Sheet No. 41

INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE ITS-1

b. ADMINISTRATIVE FEE. The monthly administrative fee shall be assessed as set forth on Sheet No. 9 of this Tariff, as revised from time to time, reflecting the number of delivery meters covered by the Service Agreement hereunder between the Shipper and the Company and the term of the Service Agreement.

c. DAILY OVERRUN CHARGES.

- (1) Unauthorized Overrun Charge. A daily overrun penalty charge shall be paid by any Shipper who (a) exceeds the level to which deliveries have been curtailed for the Day, or (b) in the aggregate exceeds its Maximum Daily Transportation Quantity plus any authorized overruns for the Day. Quantities of overrun Gas taken on any Day in excess of five (5) percent over the above quantities (the "tolerance") will be subject to a charge equal to the applicable unauthorized overrun rate for that Day set forth on Sheet No. 10 of this Tariff, as revised from time to time, for Rate Schedule ITS-1. The monthly unauthorized overrun charge shall equal the summation of the daily overrun penalty charges incurred during the Monthly Billing Period.

For those Shippers whose deliveries are measured by electronic measurement equipment, the Company may only assess an unauthorized overrun charge on unauthorized takes made after expiration of notice provided by the Company to the Shipper that the charge will be assessed. The required notice period for such Shippers is forty-eight (48) hours; provided that the Company may designate a shorter notice period if, in its reasonable judgment, such is deemed necessary to protect its system integrity. Quantities of daily unauthorized overrun Gas taken during the Monthly Billing Period that are less than the tolerance, or for which the required notice has not been given, will be subject to a charge equal to the maximum commodity charge set forth on Sheet No. 10 of this Tariff, as revised from time to time, for Rate Schedule ITS-1.

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 44
Cancels Original Sheet No. 44

INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE ITS-1

- (4) When a Shipper's Imbalance includes a prior period adjustment (i.e., an increase or decrease in the most recent Monthly Billing Period's Imbalance that represents an adjustment to the Shipper's Imbalance for a previous Monthly Billing Period), the Shipper will be allowed to cure the Imbalance associated with the prior period adjustment through the procedures set forth in subparagraphs (1) and (2) of this paragraph 5.3.d. Any such Imbalance associated with the prior period adjustment that is not fully cured under said procedures shall be cashed out at 100% of the price established by subparagraph (3) of this paragraph 5.3.d as calculated for the Monthly Billing Period to which the prior period adjustment relates.
- e. LATE PAYMENT CHARGES. Except when the Shipper is a Residential Service End-Use Party, any amounts billed to a Shipper that are not paid within twenty-five (25) days of the bill date shall be subject to a late payment charge of 1.5% per Month.
- f. OTHER RATES, CHARGES AND FEES. Where applicable, the Company will add to the Shipper's monthly bill any other rates, charges, fees or assessments that the Company is authorized to charge the Shipper under this Tariff.

Except as otherwise provided in this Tariff, in the event of a force majeure occurrence as defined in Section 24, Limitations on Obligations, of the General Terms and Conditions of this Tariff, the Shipper shall not be relieved of its obligation to make payment of amounts then due or which become due hereunder.

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 45
Cancels Original Sheet No. 45

INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE ITS-1

5.4 RESELLING OF CAPACITY PROHIBITED. Reselling of Capacity provided by the Company to a Shipper hereunder may subject the Shipper to regulation by the Colorado PUC and is prohibited. In those instances where the Shipper is not the End-Use Party, the Shipper shall charge the End-Use Party(ies) on whose behalf the Shipper is transporting Gas hereunder only such amount for the Transportation Service provided hereunder as the Shipper is billed by the Company pursuant to this Tariff.

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6. FUEL/LOSS REIMBURSEMENT QUANTITY

6.1 The Company shall be entitled to retain Gas from each Shipper hereunder equal to the Fuel/Loss Reimbursement Quantity. The Fuel/Loss Reimbursement Quantity is stated as a percentage of the Gas delivered by the Shipper at the Receipt Point(s). Title to the Fuel/Loss Reimbursement Quantity shall rest in the Company upon receipt at the Receipt Point(s) at no cost, and free and clear of all adverse claims.

6.2 The Company shall recalculate its Fuel/Loss Reimbursement Quantity percentages annually using the prior year's actuals ending May 31, to be filed with the Colorado PUC in accordance with the Commission's Rules of Practice and Procedure promulgated at 4 Code of Colorado Regulations 723-1, and in conjunction with the Company's annual Gas Cost Adjustment filing, to be effective November 1, promulgated at 4 Code of Colorado Regulations 723-4.

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6.3 The Company also shall be entitled to make additional deductions of Gas received from a Shipper as allowed by this Tariff.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 46
Cancels Original Sheet No. 46

INTERRUPTIBLE TRANSPORTATION SERVICE RATE SCHEDULE ITS-1

7. SCHEDULING OF RECEIPTS AND DELIVERIES

7.1 NOMINATIONS. If a Shipper desires transportation of Gas under this Rate Schedule on any Day, the Shipper shall comply with the following nomination procedures. Any nominations received after a nomination deadline will be scheduled after nominations received before that nomination deadline. All nominations must be submitted electronically.

a. Timing of Nominations.

(1) First of Month Service. The Shipper submits a nomination by 10:30 a.m., Mountain Time, and such nomination shall be received by the Company by 10:45 a.m., Mountain Time, three (3) business Days prior to the first Day of the Month.

(2) Next Day Service. The Shipper submits a nomination by 10:30 a.m., Mountain Time, and such nomination shall be received by the Company by 10:45 a.m., Mountain Time, the Day before the Shipper desires service.

(3) Intra-Day Service. For Type 1 intra-Day service the Shipper submits a nomination after 10:30 a.m., Mountain Time, but before 3:30 p.m., Mountain Time, the Day before Shipper desires service. For Type 2 intra-Day service the Shipper submits a nomination after 3:30 p.m., Mountain Time, the Day before Gas flow but before 12:00 p.m., Mountain Time, on the Day of Gas flow.

(a) Each Day, a Shipper may submit at least one (1) Type 1 or Type 2 intra-Day nomination.

(b) Type 1 or 2 intra-Day nominations cannot cause a Shipper to exceed its Maximum Daily Transportation Quantity.

(c) Type 1 or 2 intra-Day nominations may be used to request increases or decreases in total flow, changes to Receipt Points or changes to Delivery Points of scheduled Gas.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 46A
Cancels Original Sheet No. 46A

INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE ITS-1

- (d) Any nominations received after 12:00 p.m., Mountain Time, on the Day of flow shall be processed and scheduled on a reasonable efforts basis. S
- (e) Intra-Day service nominations will be accepted at "qualified points" only. The criteria for a Receipt Point or Delivery Point to qualify as a "qualified point" are as follows: S
 - (i) Electronic flow measurement availability with communications capability to Company measurement system. S
 - (ii) Location capable of flow adjustment verifiable by the Company and upstream and downstream Transporting Pipelines.
 - (iii) 24 hour telephone contact for upstream and downstream Transporting pipelines.
 - (iv) The Shipper must advise upstream and downstream Transporting Pipelines to contact the Company.

The Company may refuse to accept an intra-Day nomination relative to a qualified point if the nomination requires confirmation from an upstream or downstream Transporting Pipeline(s) that is not providing timely confirmations.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE ITS-1

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

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE ITS-1

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- i. Daily Balancing Fee. Upon prior notice to a Shipper consistent with Section 7.1h., above, to adjust inaccurate nominations, a daily balancing fee may be assessed during Daily Balancing Periods when it is determined that the variance between Shipper's actual net receipts and deliveries, as of the end of the applicable Day of the Daily Balancing Period, is in excess of five percent (5%). If said notice is issued by the Company no later than the latest time for issuing notice set forth in Section 7.1h., the first Day of the Daily Balancing Period for which a daily balancing fee can be assessed is the Day in which the notice is issued; however, if the notice is issued by the Company later than the latest time for issuing notice set forth in Section 7.1h., the first Day of the Daily Balancing Period for which a daily balancing fee can be assessed is the Day following the Day in which the notice is issued. The imbalance is determined by subtracting deliveries from net receipts. The imbalance percentage is then determined by dividing the absolute value of the imbalance by the daily deliveries. The daily balancing fee shall be calculated by multiplying the imbalance (in excess of the tolerance level) by the unauthorized overrun charge as stated on the applicable rate sheet of this Tariff. The Company shall not assess a daily balancing fee on a Shipper with respect to any Day of the Daily Balancing Period on which the Shipper complied with the Company's directive to said Shipper, as disclosed in the notification provided under Section 7.1h., either to provide actual net receipts equal to or greater than actual deliveries, or to take actual deliveries equal to or greater than actual net receipts. This provision does not apply to off-system Shippers, as defined in Section 5.3d.(1) of this Rate Schedule, so long as the Company can adjust nominations of off-system receipts and deliveries.

- 7.2 DELIVERY OF GAS. Based upon the daily quantity scheduled and such information as the Company has available concerning the quantity of Gas actually received, and subject to Section 24, Limitations on Obligations, of the General Terms and Conditions of this Tariff, the Company shall make daily delivery of the Shipper's Confirmed Nominations quantity. Daily deliveries of Gas at the Delivery Point(s) shall be approximately equal to daily receipts of Gas by the Company at the Receipt Point(s) for transportation, less the Fuel/Loss Reimbursement Quantity and any other allowable deductions.

- 7.3 DETERMINATION OF RECEIPTS AND DELIVERIES. As set forth in Section 20, Determination of Receipts and Deliveries, of the General Terms and Conditions of this Tariff.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Second Revised Sheet No. 50
Cancels First Revised Sheet No. 50

INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE ITS-1

- 7.4 COMMINGLING OF GAS. The Company shall have the unqualified right to commingle the Shipper's Gas with other Gas in the Company's pipeline system. S
- 7.5 DELEGATION. A shipper may delegate to any third party responsibility for submitting and receiving notices or nominations or performing other administrative duties under any Agreement, subject to the following conditions:
- a. Any designation of such a representative, and any change in such designation, must be in writing and must be submitted at least two (2) business days prior to the requested effective date as reflected on the Company's Form of Agency Agreement as contained in this Tariff. C
 - b. The written designation shall specify any limits on the authority of the representative, including any time limit on the designation; provided, however, that Company may reject any such limited designation if the limitations specified in the designation would result in an undue administrative burden.
 - c. The Company may rely on communication from Shipper's designated representative for all purposes except to the extent the designation is explicitly limited as specified in the preceding Section 7.5(b). Communications by the Company to such designated representative shall be deemed notice to Shipper except to the extent the representative's authority is explicitly limited with respect to the receipt of notice under the procedure set out in said Section 7.5(b).
 - d. Any third party may administer multiple agreements as the designated representative for one or more Shippers. However, such representative shall separately administer and account for each such agreement.

8. GENERAL TERMS AND CONDITIONS

The applicable General Terms and Conditions of this Tariff are hereby made a part of this Rate Schedule. To the extent that said General Terms and Conditions are inconsistent with the provisions of this Rate Schedule, the provisions of this Rate Schedule shall govern.

Advice Letter No. 55 Settlement

Decision or
Authority No.

Bentley W. Breland
Issuing Officer

Vice President
Title

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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 52
Cancels Original Sheet No. 52

GENERAL TERMS AND CONDITIONS

"Company" means Rocky Mountain Natural Gas Company. Additionally, the term "Transporter" is used interchangeably with "Company" throughout this Tariff.

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"Company-Used Gas" means the quantity of Gas consumed by the Company as fuel and for other purposes in its Gas operations. Company-Used Gas does not include Lost and Unaccounted-For Gas quantities.

"Confirmed Nomination" is that quantity of Gas which the Company has scheduled as of the end of the Day prior to the Day of Gas flow for nominations other than Type 2 intra-day nominations, or on the Day of Gas flow for Type 2 intra-day nominations, to be (1) delivered to the Buyer on a particular Day at a specified Delivery Point(s), or (2) transported for a Shipper on a particular Day from a specified Receipt Point(s) to a specified Delivery Point(s).

"Contract Demand" means the maximum quantity of Gas in Mcf which the Buyer is entitled to purchase from the Company on any Day, in total and by Delivery Point(s). Unless the Company specifies a higher Contract Demand under the provisions of Section 4.2.a. of Rate Schedule GRS-1 of this Tariff, the Contract Demand shall be as specified in the executed Service Agreement between the Buyer and the Company.

"Cubic Foot of Gas" means, for the purpose of determining Gas volumes, the amount of Gas necessary to fill one cubic foot of space when the Gas temperature is at, or corrected to, sixty (60) degrees Fahrenheit, and the Gas pressure is either (1) the actual prevailing pressure at the meter, or (2) corrected to 14.73 p.s.i.a.

"Curtailement" means the reduction in Gas quantities received from and/or delivered to a Customer(s) due to a shortage in the Company's Gas supply or a Shipper's Gas supply, or due to operational constraints affecting the Capacity of the Company's system or the capacity of a Transporting Pipeline.

"Customer" means, depending upon the context, a Buyer or a Shipper.

"Daily Balancing Period" means that Day or Days for which Transporter has posted notice on its interactive website that daily balancing of receipts and deliveries is necessary to maintain compliance with upstream pipeline directives, avoidance of upstream pipeline incremental charges, avoidance of a threat to Transporter's system integrity, or avoidance of impact on Transporter's sales and transportation service contractual obligations.

N

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 53
Cancels Original Sheet No. 53

GENERAL TERMS AND CONDITIONS

"Day" means a period of twenty-four (24) consecutive hours beginning and ending at eight o'clock (8:00) a.m., Mountain Time.

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"End-Use Party" means a person, firm, corporation or other entity ultimately receiving Gas sold to the Buyer or transported for a Shipper on the Company's pipeline system. With respect to Transportation Service, the End-Use Party may be, but is not required to be, the Shipper.

"Fuel/Loss Reimbursement Quantity" means that portion of the Shipper's Gas received by the Company for transportation under a Transportation Service rate schedule of this Tariff which is retained by the Company as compensation for Company-Used Gas and Lost and Unaccounted-For Gas.

"Gas" or "Natural Gas" means any mixture of hydrocarbons or of hydrocarbons and non-combustible Gas, in a Gaseous state, consisting essentially of methane.

"Gross Dry Heating Value" means the number of Btus produced by complete combustion, at a constant pressure, of the amount of Gas which would occupy a volume of one (1) cubic foot at a temperature of sixty (60) degrees Fahrenheit on a water-free basis and at a pressure of 14.73 p.s.i.a. with air of the same temperature and pressure as the Gas, when the products of combustion are cooled to the initial temperature of the Gas and air, and when the water formed by combustion has condensed to the liquid state.

"Imbalance" means the difference between the amount of Gas received by the Company from a Shipper or for a Shipper's account for transportation under this Tariff and the amount of Gas delivered by the Company to the Shipper or for the Shipper's account, with due regard given to the Fuel/Loss Reimbursement Quantity and other allowable deductions.

"Interruptible" means that the Company has the right, except as may otherwise be specifically provided for in this Tariff, to stop at any time, in whole or in part, sales to, receipts from, or deliveries of Gas (1) to a firm service Customer for volumes in excess of the Buyer's Contract Demand or a Shipper's Maximum Daily Transportation Quantity, or (2) to an Interruptible service Customer, due to the need to serve higher priority demand or for any other reason.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 56
Cancels Original Sheet No. 56

GENERAL TERMS AND CONDITIONS

“Point of Receipt” or “Receipt Point” means the point(s) at which the upstream facilities of a Party are connected with the Company’s facilities and at which the Gas flow into the Company’s facilities is metered, or an otherwise agreed upon point.

“Point Operator” means the person or entity that is responsible for the operation of the interconnection facility(ies) through which gas flows into or out of Transporter’s system.

“Primary Delivery Point” means, with respect to a particular Customer, a Delivery Point on the Company’s system listed in the Service Agreement executed by the Company and the Customer, or the Customer’s duly authorized agent.

“Primary Receipt Point” means, with respect to a particular Shipper, a Receipt Point on the Company’s system listed in the Transportation Service Agreement executed by the Company and the Shipper, or the Shipper’s duly authorized agent.

“p.s.i.a.” means pounds per square inch absolute.

“p.s.i.g.” means pounds per square inch gauge.

“Resale Service” means the sale and delivery of Gas by the Company to the Buyer utilizing the Company’s pipeline system for the purpose of resale by the Buyer.

“Residential Service” means Resale Service provided to a Buyer or Transportation Service provided to a Shipper on behalf of a residential End-Use Party for domestic general household purposes in a space occupied as living quarters, typically designed for occupancy by one family. Residential service includes, but is not limited to, the following: separately-metered units, such as a single private residence, single apartment, mobile home, low income housing unit, nursing home unit, a parsonage paid by the church, low income housing paid by a housing authority, and employee housing paid by the government or business entity. Residential service also includes service to auxiliary buildings on the same premises as the living quarters used for residential purposes.

N

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Authority No.

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Title

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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 57
Cancels Original Sheet No. 57

GENERAL TERMS AND CONDITIONS

“Secondary Delivery Point” means, with respect to a particular Customer, a Delivery Point on the Company’s system that is listed in the Service Agreement executed by the Company and the Customer, or the Customer’s duly authorized agent.

“Secondary Receipt Point” means, with respect to a particular Shipper, a Receipt Point on the Company’s system that is listed in the Service Agreement executed by the Company and the Shipper, or the Shipper’s duly authorized agent.

“Service Agreement” or “Agreement” means a written agreement, and any exhibits, attachments and/or amendments thereto, for Gas service, which is executed by the Company and a Customer, or the Customer’s duly authorized agent.

“Shipper” means (1) an End-Use Party taking Transportation Service under this Tariff, or (2) an aggregator, marketer, broker, or similar enterprise taking Transportation Service under this Tariff on behalf of an End-Use Party(ies).

“Total Energy Content” is that amount determined by multiplying the Gross Dry Heating Value by the volume of Gas in cubic feet.

“Transportation Service” means the acceptance of Gas tendered by a Shipper to the Company’s pipeline system at a Receipt Point(s), and direct delivery, displacement delivery, or exchange delivery to the Shipper, or for the Shipper’s account, at an interconnect with a Transporting Pipeline, a town border station, or mainline measuring facilities.

“Transporter” means Rocky Mountain Natural Gas Company. Additionally, the term “Company” is used interchangeably with “Transporter” throughout this Tariff.

“Transporting Pipeline” means any interstate or intrastate pipeline delivering transportation Gas to the Primary Receipt Point(s) or Secondary Receipt Point(s) or taking Gas from the Primary Delivery Point(s) or Secondary Delivery Point(s). A transporting pipeline may include facilities owned by the Company, an affiliate of the Company, or an unaffiliated entity.

N

Advice Letter No. 55 Settlement

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Decision or
Authority No.

Vice President
Title

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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 58
Cancels Original Sheet No. 58

GENERAL TERMS AND CONDITIONS

“Year” means a period of three hundred sixty-five (365) Days commencing and ending at eight o’clock (8:00) a.m., Mountain Time, provided that any year which contains the date of February 29 shall consist of three hundred sixty-six (366) Days.

3. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE

3.1 The Company may refuse to provide service under this Tariff to an applicant, or may discontinue service already being provided hereunder to any Customer, in accordance with Rule 4407 of the Commission’s Rules Regulating Gas Utilities and Pipeline Operators, for any of the following reasons:

- a. An applicant has an outstanding unpaid bill with the Company incurred for utility service within the State of Colorado. Service may be denied until the applicant pays the outstanding bill in full or enters into a satisfactory written payment arrangement. In the event the amount is in dispute, the applicant shall make a special deposit in the amount of the disputed amount, and service will be rendered immediately. Upon settlement of the dispute, any amount owed the Customer will be promptly refunded.
- b. An applicant’s credit history indicates a significant probability that the applicant will not pay its bills for utility service provided by the Company.
- c. The Company determines, in its best judgment, (1) that it does not have adequate facilities to render the service applied for and the Customer has declined to make an additional facilities payment as provided in Section 5, Customer Service Connection and Additional Facilities Policies and Payments, of these General Terms and Conditions; or (2) that the desired service appears to be unsafe, or is of a character that is likely to adversely affect service to another Customer.

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 61
Cancels Original Sheet No. 61

GENERAL TERMS AND CONDITIONS

- c. Discontinuance is during any period which may endanger health because of such factors as weather extremes;
- d. It is on any Day in which the Company cannot reconnect service within twenty-four (24) hours in accordance with Rule 4407 of the Commission's Rules Regulating Gas Utilities and Pipeline Operators; and
- e. There is money owed as a result of the Company's meter reading error or billing error and the Shipper enters into and complies with a written payment arrangement.

- 3.3 Transfer of Account Balances. In the event of discontinuance of service, the Company may transfer any unpaid balance to another active account of the Shipper for the same class of service. If an applicant for service has an unpaid bill for utility service provided by the Company in Colorado, the Company may transfer the unpaid balance to any successive service account opened by the Shipper for the same class of service, and the Company may discontinue service, after proper notice, for the nonpayment of the transferred amount.

4. SERVICE DEPOSITS

- 4.1 Deposit Requirement. In accordance with the authorization granted by the Colorado PUC, the Company may require any Shipper that fails to provide adequate evidence of creditworthiness to pay in to the Company a deposit to guarantee the payment of current bills; provided that the Company may waive the requirement that evidence of creditworthiness be provided where the Shipper's bill payment history with the Company indicates to the Company that the Shipper does not pose a credit risk. A deposit also will be requested if (1) the Company determines that the Shipper previously has taken Transportation Service from the Company and has an outstanding undisputed and unpaid service amount owed to the Company; (2) the Shipper attempts to pay a utility or transportation service bill with an insufficient funds check; or (3) the Shipper has two delinquent bills for utility or transportation service within a twelve-month period. The Company may, either at the time of the request for service, or at any time thereafter, upon five (5) days' written notice, request a security deposit to guarantee payment of current bills.

Advice Letter No. 55 Settlement

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Issuing Officer

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Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 62
Cancels Original Sheet No. 62

GENERAL TERMS AND CONDITIONS

- 4.2 Amount of Deposits. The amount of a required security deposit shall not exceed the amount of an estimated six (6) months' bill of the Shipper for the premise to be served. For purposes of establishing deposits and estimating monthly bills, the Company shall consider the length of time the Shipper reasonably can be expected to take Transportation Service, past volumes transported by the Shipper on the Company's pipeline system, past consumption history of the premises of the End-Use Party(ies) for which the Shipper is transporting Gas, service history of other similar Shippers, and any applicable provisions of this Tariff, or of the rules and regulations of the Colorado PUC. The Company may require an increased deposit from the Shipper if it is determined subsequent to the original deposit request that the estimate upon which the original deposit amount was based, for whatever reason, was low. C
- 4.3 Remittance of Deposits. When it becomes necessary for the Company to demand a deposit, or an increased deposit, the Company may require the Shipper to pay the full deposit prior to service commencing. The Company will accept either a guarantor, a surety bond or letter of credit in lieu of a deposit. Failure to pay the billed security deposit shall subject the Shipper to procedures for disconnection of service for non-payment. C
- 4.4 Interest on Deposits. The Company shall pay simple interest on cash deposits. The Company will not be obligated to pay interest from the date service is discontinued. The rate of interest paid on deposits will be as established from time to time by the Colorado PUC pursuant to its Rules Regulating Gas Utilities and Pipeline Operators or as required by Colorado law. The rate of interest paid on deposits as of January 1, 2006 shall be 3.16% per annum. Interest will be paid annually with respect to deposits on file on January 1 of each year, and upon refund of the deposit. In the event that a deposit is retained for a period longer than twelve months and interest is not paid on such deposit on an annual basis, interest on such deposit shall accrue at the applicable interest rate(s) for the time that the Company holds the deposit. Interest payments shall, at the Company's option, be made in cash or as a credit to the Shipper's bill. C

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

GENERAL TERMS AND CONDITIONS

4.5 Disposition of Deposits.

- a. The Company may refund a service deposit, plus accrued simple interest, to a Shipper at any time that the Company determines, in its sole discretion, that the deposit no longer is necessary to provide adequate assurance that the Shipper's bills will be paid.
- b. Upon termination of a service account, the Company shall refund the amount of the security deposit, plus accrued simple interest, less any unpaid Gas service bills due the Company, to the Shipper, or the Shipper's authorized representative. If the Company cannot return the deposit due to a lack of knowledge of the Shipper's whereabouts, the Company shall retain the deposit until the Shipper notifies the Company. Deposits may be returned to the Shipper by crediting the deposit and interest to the outstanding amount owed by the Shipper or by refunding to the Shipper by check. Any non-refundable deposit held by the Company in Colorado for more than one (1) year shall escheat or otherwise be disposed of as provided by law, C.R.S., 40-8.5 103(5) and Rule 4403 of the Commission's Rules Regulating Gas Utilities and Pipeline Operators.
- c. Unless otherwise agreed to by the Company, security deposits shall not be transferable from one Shipper to another Shipper.

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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Second Revised Sheet No. 72
Cancels 1st Revised Sheet No. 72

GENERAL TERMS AND CONDITIONS

(2) the Company's gas commodity costs (including the component of the GCA that recovers prior over- or under-recoveries of GCA costs), on a per unit basis and in total, billed to the Customer for the billing period; (3) the Company's upstream services costs, on a per unit basis and in total, billed to the Customer for the billing period; and/or (4) sufficient information to allow the Customer to derive any per unit costs that are not shown on the bill.

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9.5 Adjusted Bills.

- a. All adjusted bills shall show the credit due to the Customer for amounts paid, or shall show the balance due and payable. A credit may be applied against subsequent billings, and if the amount is greater than \$10.00, the Customer may request a refund. When a balance is due and payable to the Company, the Customer may, upon request, pay the amount in equal monthly installments over a period of time mutually agreed upon by the Customer and the Company. Unless otherwise agreed to by the Customer, the monthly installment period shall not be less than the number of Months over which the error occurred or the bills were estimated.
- b. Under-billing. In the event of under-billings not provided for under this Tariff, the Company may charge for the period during which the under-billing occurred, with such period not exceeding the period established in the tariff of the applicable interconnecting pipeline, unless otherwise agreed to in writing by Company and Customer. The payment arrangement shall be equal in length to the period in which the under-billing lasted, and shall not be subject to interest.
- c. Over-billing. In the event of over-billings not provided for under this Tariff, the Company shall refund for the period during which the over-billing occurred, with such period not exceeding the period established in the tariff of the interconnecting pipeline, unless otherwise agreed to in writing by Company and Customer. The Customer may elect to receive the refund as a credit to future billings or as a one-time payment, and shall not be subject to interest.

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N

Advice Letter No. 55 Settlement

Bentley W. Breland
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Decision or
Authority No.

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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 73
Cancels Original Sheet No. 73

GENERAL TERMS AND CONDITIONS

- 9.6 Partial Payments. Unless otherwise directed by the Customer, if a Customer makes a partial payment on the bill, the Company shall credit the payment first to special utility charges for tariffed services (including, but not limited to, non-sufficient funds check charges, as assessed by a bank, non-sufficient funds check charges, as assessed by the Company, and the non-sufficient funds check amount), second to the balance outstanding for previous utility service, including accrued interest and penalties, third to the amount due for current utility service, and finally to charges for non-regulated or non-tariffed services provided by the Company. S
- 9.7 Disputed Bills S
- a. When the Customer advises the Company prior to the proposed date for discontinuance that all or any part of a bill is in dispute, the Customer shall clearly state why the discontinuance of service is invalid. The Company shall record the date, time and place that the Customer gave notice of a dispute and postpone discontinuing service until a prompt and full investigation is completed. S
- b. The Company and the Customer shall attempt to informally resolve the dispute to their mutual satisfaction. The Customer shall advise the Company that a bill is in dispute in any reasonable manner, including but not limited to, mailed written notice, notice in person, notice by telephone, through pre-arranged meetings, formal or informal hearings or on-site visits with Company personnel. In the event the dispute is not informally resolved, the Company shall advise the Customer of the formal and informal procedures available before the Colorado PUC. Discontinuance of service shall occur after proper notice has been given to the Customer.
- 9.8 Access to Books. The Company and the Customer shall have the right to examine at reasonable times those books, records and charts of the other to the extent necessary to verify the accuracy of any billing statement, charge or computation made under or pursuant to any of the provisions of this Tariff.
- 9.9 Bills, Duplicate Bills, Failure to Receive Bills. Upon request, the Company shall advise the Customer of its approximate billing date each Month. If a bill is not received by a Customer or is lost, the Company shall, upon request of the Customer, issue a duplicate bill. Failure to receive a bill shall not relieve the Customer of its obligation to make payment as provided in this Tariff.

Advice Letter No. 55 Settlement

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Decision or
Authority No.

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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Original Sheet No. 73A

GENERAL TERMS AND CONDITIONS

10. MEASUREMENT

10.1 Measurement Standards. All meters (including Ultrasonic, orifice, turbine, rotary and diaphragm type) shall be installed in accordance with the following standards, where applicable:

- A. Measurement of Gas by Multipath Ultrasonic Meters – AGA 9;
- B. Orifice Metering of Natural Gas – Specifications and Installation Requirements – AGA 3; Part 2;
- C. Orifice Metering of Natural Gas – Natural Gas Applications – AGA 3; Part 3;
- D. Measurement of Gas by Turbine Meters – AGA 7
- E. Compressibility and Super-compressibility for Natural Gas and other Hydrocarbon Gases – AGA 8;
- F. Table of Physical Constants of Paraffin Hydrocarbons and other Components of Natural Gas – GPA 2145;
- G. Flow Measurement Using Electronic Metering Systems – Section 1 Electronic Gas Measurement – API 21.1;
- H. Rotary-Type Gas Displacement Meters – AGA 7;
- I. Diaphragm-Type Gas Displacement Meters – AGA 7.

Advice Letter No. 55 Settlement

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Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 74
Cancels Original Sheet No. 74

GENERAL TERMS AND CONDITIONS

- 10.2 Unit of Measurement and Metering Base. The volumetric measurement base shall be one (1) cubic foot of Gas at a pressure base of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 p.s.i.a.), at a temperature base of sixty degrees Fahrenheit (60°F), and without adjustment for water vapor except as described in Section 10.5B. C
- 10.3 Atmospheric Pressure. For the purpose of measurement, calculations, and meter calibration, the average absolute atmospheric (barometric) pressure shall be based on the actual elevation of each Point of measurement irrespective of variations in natural atmospheric pressure from time-to-time. C
- 10.4 Temperature. The temperature of the Gas shall be determined at the Points of measurement by means of a properly installed recording thermometer or continuous electronic temperature transducer. C
- 10.5 Determination of Gas Composition, Total Heating Value and Specific Gravity. C
- A. Total Heating Value shall be the number of Btus per cubic foot of Gas at the base condition of 14.73 p.s.i.a. and 60°F dry. The Btu value will be determined utilizing the complete actual composition of the Gas according to the methods in GPA Standard 2172-02, titled "Calculation of Gross Heating Value, Relative Density and Compressibility Factor for Natural Gas Mixtures from Compositional Analysis," and corrected to the base conditions. For reporting purposes, Btu conversion factors will be reported to not less than three (3) decimal places and Pressure Base conversion factors will be reported to not less than six (6) decimal places. For calculation purposes, not less than six (6) decimal places will be used for both conversion factors. C

Advice Letter No. 55 Settlement

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Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 75
Cancels Original Sheet No. 75

GENERAL TERMS AND CONDITIONS

10.5 B. The Gas Composition, Heating Value and specific gravity of the Gas may be determined by spot samples, continuous samples, or an on-line chromatograph. In the event a continuous gas sampling device is used, intervals mutually agreed upon should not be less than once every Month. For conventional chart measurement, the arithmetical average of the Gas composition, hourly heating value and specific gravity recorded during periods of flow each Day by an on-line chromatograph, if installed, shall be considered as the Heating Value and specific gravity of the Gas delivered during each Day. In the event electronic flow computer measurement is used, the determination of Total Heating Value and specific gravity from a chromatograph shall input continuously into the EFM for volume calculations. In the event a continuous gas sampler is installed, then the Heating Value and specific gravity shall be determined in the laboratory by chromatograph. Such determinations shall be considered as the Heating Value and specific gravity of all gas delivered during the applicable period of sampling. All Heating Value and specific gravity determinations made with a chromatograph shall use physical gas constants for gas compounds as outlined in GPA Standard 2145-00, Rev 2 Table of Physical Constants of Paraffin Hydrocarbons and Other Components of Natural Gas, with any subsequent amendments or revisions which Company may adopt in exercise of its reasonable judgment. The calculations (for Btu) shall be based on dry gas if the gas at the measurement Points contains less than six (6) pounds of water per MMcf. If the Gas at the measurement Points contains more than six (6) pounds of water per MMcf, the Btu value may be corrected for the water vapor of the flowing gas based upon actual flowing conditions.

10.6 Super-compressibility

The measurement hereunder shall be corrected for deviation from Boyle's Law at the pressures and temperatures under which Gas is measured hereunder by the use of the applicable meter standards set forth in Section 10.1 of these General Terms and Conditions.

Advice Letter No. 55 Settlement

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Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 76
Cancels Original Sheet No. 76

GENERAL TERMS AND CONDITIONS

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Advice Letter No. 55 Settlement

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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 77
Cancels Original Sheet No. 77

GENERAL TERMS AND CONDITIONS

11. MEASUREMENT EQUIPMENT

Unless otherwise agreed upon, Company will install, maintain and operate or cause to be installed, maintained and operated, measuring stations equipped with flow meters and other necessary metering and measuring equipment by which the volumes of Gas received and Equivalent Volumes delivered hereunder shall be determined. Customer may install check measuring equipment at its own cost and expense; provided such equipment shall be so installed as not to interfere with the operations of Company. Company and Customer, in the presence of each other, shall have access to the other's measuring equipment at all reasonable times, but the reading, calibrating and adjusting of electronic computer components and/or mechanical recording instruments thereof and the changing of charts shall be done only by the equipment owner or such owner's representative, unless another party is otherwise mutually agreed upon to perform the foregoing activities. Both Company and Customer shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment; provided, however, failure of either Company or Customer to witness such an operation shall not affect the validity of such operation in any way. The records from such measuring equipment shall remain the property of its owner, but upon request, each will submit within ten (10) Days to the other its records and charts, together with calculations therefrom, for inspection. The measurement equipment of Customer shall be for check purposes only and, except as expressly provided herein, shall not be used in the measurement of Gas for purposes hereof.

C

Advice Letter No. 55 Settlement

Decision or
Authority No.

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Issuing Officer

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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 78
Cancels Original Sheet No. 78

GENERAL TERMS AND CONDITIONS

12. NEW MEASUREMENT TECHNIQUES

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If, at any time, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in such Gas measurement, such new method or technique may be substituted by Company in exercise of its reasonable judgment. Company shall promptly inform all Customers of any new techniques adopted.

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13. CALIBRATION AND TEST OF METERS

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13.1 (a) The accuracy of all measuring equipment shall be verified by Company with meter testing equipment on site at reasonable intervals, and if requested, in the presence of representatives of Customer, but neither Customer nor Company shall be required to verify the accuracy of such equipment more frequently than once in any thirty (30) Day period. If either party at any time desires a special test of any measuring equipment, it will promptly notify the other, and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment.

C

(b) Calibration and testing shall include: 1) verification of configuration; 2) verification of the accuracy of pressure transducers using certified dead weights or certified high accuracy gauges; 3) verification of temperature transducers using a high accuracy digital thermometer; 4) verification of the accuracy of the differential transducer using certified dead weights or certified high accuracy gauges for orifice meters; 5) verification of the rotor spin times for turbine meters; and 6) verification of the speed of sound for ultrasonic meters.

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13.2 Meter Testing Equipment – Transducers on meters shall be tested using certified dead weights or high accuracy certified gauges, as applicable.

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(a) At least once every three years, all devices used to test and/or calibrate any custody transfer measurement equipment shall be recertified at a Company approved laboratory.

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(b) All devices used to test and/or calibrate any custody transfer measurement equipment shall be recertified at a Company-approved laboratory that, at a minimum, meets the National Institute of Standards and Technology specifications or tested against an industry standard at least annually during the interim two years between laboratory certifications as provided for in subsection (a) above.

C

Advice Letter No. 55 Settlement

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Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Second Revised Sheet No. 78A
Cancels First Revised Sheet No. 78A

GENERAL TERMS AND CONDITIONS

- (c) At least annually, all devices used as secondary standards shall be recertified at a Company-approved laboratory that, at a minimum, meets the National Institute of Standards and Technology specifications verifying that the accuracy of the device meets the industry secondary reference standards and that the device meets the appropriate standards of the National Institute of Standards and Technology. C
- 13.3 Where applicable, adjustments to meters shall be made as required by the Colorado PUC's Rules Regulating Gas Utilities and Pipeline Operators. C

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Advice Letter No. 55 Settlement

Bentley W. Breland
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Decision or
Authority No.

Vice President
Title

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Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 79
Cancels Original Sheet No. 79

GENERAL TERMS AND CONDITIONS

14. CORRECTION OF METERING ERRORS

If, upon any test, any measuring equipment operated by the Company is found to be inaccurate, such equipment shall be adjusted immediately to measure accurately. If, upon any test, the measuring equipment in the aggregate is found to be inaccurate by two percent (2%) or more at a recording corresponding to the average hourly rate of Gas flow for the period since the last preceding test, any payments based thereon shall be corrected at the rate of such inaccuracy for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one-half (1/2) of the time elapsed since the date of the last test. Measurement data corrections should be processed within six (6) Months of the production Month with a three (3) Month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

14.1 Failure of Measuring Equipment

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 recordings, receipts or deliveries through such equipment shall be estimated and agreed to by the parties upon the first of the following methods which is feasible, but in no event for a period longer than six months prior to the date the meter was removed from service for testing, unless otherwise agreed to by the parties:

- A. By correcting the error if the percentage of error is ascertainable by calibration, special test, or mathematical calculation, or in the absence of A;
- B. By using the registration of any check meter or meters, if installed and accurately registering; or in the absence of both A and B, then,
- C. By estimating the quantity of receipt or delivery based on receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.

14.2 Preservation of Records

Customer and Company shall preserve for a period of at least three (3) Years, or for such longer period as may be required by appropriate authority, all test data, charts, applicable EFM data and other similar records.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

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Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 80
Cancels Original Sheet No. 80

GENERAL TERMS AND CONDITIONS

15. PRESSURE AND DELIVERY CONDITIONS

15.1 Receipt Point Pressure

Customer shall deliver Gas to Company at the pressure prevailing in Company's System at the Receipt Point.

15.2 Delivery Point Pressure

Company shall deliver Gas to Customer at the Delivery Point at the pressure available in Company's pipeline.

16. QUALITY OF GAS

All natural Gas received by Company shall conform to the following specifications:

16.1 Heat Content

The Gas delivered at each Receipt and Delivery Point shall contain a Gross Heating Value of not less than nine hundred fifty (950) Btus per cubic foot nor more than 1150 Btu per cubic foot at a base pressure of 14.73 psia and a base temperature of 60°F.

16.2 Freedom from Objectionable Matter

Except as provided in Section 16.4 below, the Gas which Company delivers to Customer and the Gas which Customer delivers to Company for transport shall comply with the following requirements:

- A. Shall be commercially free from dust, gums, gum-forming constituents, dirt, impurities or other solid or liquid matter that might cause injury to or interference with proper operation of the pipelines, regulators, meters, or other equipment of Company;
- B. Shall not contain more than 0.25 grain of hydrogen sulfide per one hundred (100) cubic feet of Gas;
- C. Shall not contain more than five (5) grains of total sulfur (including the sulfur in any hydrogen sulfide and mercaptans) per one hundred (100) cubic feet;
- D. Shall not contain more than one (1) grain of mercaptan per one hundred (100) cubic feet;

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 81
Cancels Original Sheet No. 81

GENERAL TERMS AND CONDITIONS

- E. Shall not at any time have an oxygen content in excess of ten parts per million (10 ppm) by volume, and the parties hereto shall make every reasonable effort to keep the Gas free of oxygen; C
- F. Shall be delivered at a temperature not in excess of one hundred twenty degrees Fahrenheit (120°F) or less than twenty degrees Fahrenheit (20°F). However, if the Company is required to dehydrate the gas at the receipt point, then the temperature of such gas shall not exceed ninety degrees Fahrenheit (90°F); C
- G. Shall not contain water vapor in excess of six (6) pounds per million cubic feet of Gas from any individual receipt point on an absolute basis; C
- H. Shall not contain a Hydrocarbon Dew Point exceeding twenty five degrees Fahrenheit (25°F) at pressure between 100 p.s.i.a. and the maximum available operating pressures of Company's pipeline, as calculated from the Gas composition from any single receipt point; and C
- I. Shall not contain inert substances (carbon dioxide, nitrogen, helium, oxygen or any other diluent compound) of more than five percent (5%) by volume of which not more than two percent (2%) by volume shall be carbon dioxide. C

16.3 Toxic and Hazardous Substances C

Customer agrees to supply or cause its designee to supply to Company upon demand, at any time and from time-to-time, a sample of liquids removed from the Gas stream at any Receipt Point for analysis at a laboratory of Company's choosing. If at any time substances or chemicals that Company deems hazardous and/or in any way unsafe for transportation are found in the liquid samples supplied to Company by Customer, Company may in its sole discretion immediately cease the receipt of such Gas and any associated liquids through its facilities. Upon proof that such toxic or hazardous substances are no longer present at levels deemed unsafe by Company, Company shall restore service to Customer at the affected Receipt Point. C

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Second Revised Sheet No. 82
Cancels First Revised Sheet No. 82

GENERAL TERMS AND CONDITIONS

16.4 Acceptance of Non-Conforming Gas

- A. Waiver of Quality Specifications. Company, in its reasonable discretion and judgment, may waive, on a non-discriminatory basis, the Gas quality specifications at any receipt point to accept Gas that does not conform to the quality specifications set forth in this section, if Company determines that such acceptance will not interfere with Company's ability to: (1) maintain prudent and safe operation of part or all of Company's pipeline System, (2) ensure that such Gas does not adversely affect Company's ability to provide service to others, and (3) ensure that such Gas does not adversely affect Company's ability to tender Gas for delivery to a downstream pipeline or end-user.
- B. Notwithstanding the provisions above, Company shall not be required to receive Gas at any receipt point which is of a quality inferior to that required by Company as set forth in this Tariff or to receive gas that may be rejected by a connecting pipeline or third party at any Delivery Point. In such circumstances, Customer shall have the option to select other Points, subject to Capacity availability. Company shall not be liable to Customer, a connecting pipeline or any third party for any damages incurred as a result of Company's refusal to receive Gas as a result of this provision.

16.5 Customer's Failure to Meet Specifications

Should any Gas tendered by Customer to Company hereunder fail at any time to conform to any of the specifications of this section, Company shall notify the responsible Customer of any such failure, and Company may suspend all or a portion of the receipt of any such Gas which may jeopardize Company's ability to meet its obligations to its other Customers or endanger the safe operation and integrity of Company's System. Company shall be relieved of its obligations hereunder to the extent of rightful suspension for the duration of such time as such off-specification Gas tendered by such Customer does not meet the specifications; provided, however, such suspension by Company shall not relieve Customer of its payment obligations hereunder. Upon receipt of notice by Company, Customer shall, at its expense, make a diligent effort to correct such failure by treatment, cooling, or dehydration consistent with prudent operation so as to tender Gas conforming to the above specifications.

Advice Letter No. 55 Settlement

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Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Original Sheet No. 082A

GENERAL TERMS AND CONDITIONS

- 16.6 The Company reserves the right to extract or retain, or permit the extraction of, gasoline or any other substance whatsoever from, or to otherwise process or treat (without impairing its merchantability), the Natural Gas received from Shippers for transportation under this Tariff. Title to all extracted liquid and liquefiable hydrocarbons and other products, including any methane lost or removed in the extraction process or required for fuel, shall pass to the Company at no cost, and the Shipper shall hold the Company harmless and free and clear of adverse claims with respect to the same. S,T
- 16.7 Commingling C
Gas delivered by Customer will be commingled with the Gas of other Customers in the System. Accordingly, Customer's Gas shall be subject to such changes in Gross Heating Value and other specifications as may result from such commingling. C
17. POSSESSION OF, TITLE TO, AND WARRANTY OF GAS
- 17.1 Possession of Gas. Shippers shall be deemed to be in exclusive control and possession of Gas to be transported under this Tariff until such has been received by the Company at the Receipt Point(s). The Company shall be deemed to be in possession of the Gas delivered by the Shipper only from the time it is received by the Company for transportation at the Receipt Point(s) until it is delivered to the Shipper at the Delivery Point(s). The Shipper shall be deemed to be in possession of such Gas prior to such receipt and after such delivery. The Company shall have no responsibility with respect to such Gas before receipt by it or after delivery to the Shipper. The Shipper shall have no responsibility with respect to such Gas while it is deemed to be in the Company's possession. S

Advice Letter No. 55 Settlement

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Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Third Revised Sheet No. 84
Cancels Second Revised Sheet No. 84

GENERAL TERMS AND CONDITIONS

The Company warrants that Gas sold to the Buyer under this Tariff is free and clear of all liens, encumbrances, and claims whatsoever. The Company further warrants and represents that it will pay and satisfy, or make provision for the payment and satisfaction of, any taxes now or hereafter assessed upon the Gas so tendered as well as all claims of every nature whatsoever in, to, or in respect of Gas, delivered or received by it; and the Company agrees to defend at its cost and, when notified by the Buyer, to indemnify, and defend if requested by the Buyer, the Buyer against all suits, judgments, liens, encumbrances, claims, demands, causes of action, costs, losses, and expenses, including reasonable attorneys' fees, arising out of or in any way connected to the Gas sold by the Company to the Buyer. The Buyer assumes no obligation whatsoever to any royalty owner or to the owner of any other interest of any kind in any Gas delivered at the Point(s) of Delivery, and the Company or its seller shall pay all such royalties or other interests upon or with respect to such Gas.

18. INTERACTIVE WEB SITE

18.1 DESCRIPTION OF WEB SITE

- (a) Transporter maintains an interactive web site which is available for use by Shippers and other interested parties upon request. The web site has both secure and non-secure regions. Information of a general nature is included in the non-secure region, while confidential, shipper-specific data is accessible only through the secure region which requires a logon identification and password. Daily back-up records of information displayed or entered through these web pages are archived and non-secure information is accessible to customers on a non-discriminatory basis. The data will be kept for a three (3) year period, inclusive of both current and archived data.

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Advice Letter No. 55 Settlement

Bentley W. Breland
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Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Third Revised Sheet No. 85
Cancels Second Revised Sheet No. 85

GENERAL TERMS AND CONDITIONS

- (b) The non-secure information is primarily comprised of informational postings. Transporter, at its sole option, may add informational sections to these web pages in order to facilitate timely and complete communications with customers. The secure region provides access to Nominations, Volume Inquiry data and Contract Processing. Logon identifications and passwords required to enter the secure region of the web site may be obtained per the procedures outlined in Section 18.2.

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(1) INFORMATIONAL POSTINGS AND PLANNING TOOLS

The types of information available through the Informational Postings section of the web site include: (a) information on construction and maintenance projects impacting capacity; (b) imbalance volumes available for trading among Shippers prior to cashout; (c) firm and interruptible rates and fuels; (d) catalog of currently active Receipt and Delivery Points; and (e) general announcements and procedures, including Operational Flow Orders.

(2) NOMINATIONS

This feature allows for submittal of all transportation nominations, predetermined allocations and nomination priorities as required in this tariff.

(3) VOLUME INQUIRY

This feature provides volumetric information on total gas flows and allocated flows, at a point and contract level. The timing for reporting daily operational allocations after the gas has flowed is within one (1) Business Day after the end of the gas Day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity should be used for the daily operational allocation. Each Shipper and each other entity involved in a transaction at a point will be able to see the total flows at the point and the volumes allocated to or by such Shipper or other entity.

Advice Letter No. 55 Settlement

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Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Third Revised Sheet No. 86
Cancels Second Revised Sheet No. 86

GENERAL TERMS AND CONDITIONS

(4) CONTRACT REQUEST PROCESSING

Using this feature, Shippers can review their existing Agreement information, submit new requests for Agreements and submit requests to amend Agreements when available.

18.2 ACCESS TO WEB SITE

"Subscribers" are Shippers and other interested parties who obtain access to the interactive transactional web pages by contacting a representative of Transporter's Electronic Customer Service Department. Logon identifications, passwords and access instructions will be supplied upon request under the following terms and conditions as set forth in Section 18.3 through 18.13, below. The Internet address for this web site is <http://pipeline.kindermorgan.com>.

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18.3 AUTHORITY

Users of this web site shall be deemed to have agreed and admitted that any employee permitted by Subscriber to access the web site shall have the legal authority to act on behalf of Subscriber in performing any functions, including those functions which are available presently and those functions which become available at a later date.

18.4 INSTALLATION

Each Subscriber shall purchase and ensure that lawful installation of the designated commercially available Internet Browser software occurs for each personal computer (PC) from where this web site is accessed.

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18.5 CONFIDENTIALITY

Certain information contained on this web site is confidential. A Subscriber shall not reproduce, disclose or otherwise make available confidential information contained therein to any other company, corporation, individual, or partnership.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Second Revised Sheet No. 86A
Cancels First Revised Sheet No. 86A

GENERAL TERMS AND CONDITIONS

18.6 RELIANCE BY TRANSPORTER

Transporter may act, and shall be fully protected by a Subscriber in acting, in reliance upon any acts or things done or performed by Subscriber's employees or designated agents on behalf of Subscriber and in respect to all matters conducted through this web site. Transporter may correct errors in information entered into this web site by a Subscriber promptly after receiving notice of the corrections or may require Subscribers to enter the corrections directly into this web site.

18.7 ACCESS TO CONFIDENTIAL INFORMATION

Should a Subscriber require access to confidential information (such as Agreement, points, nomination, volume, or other customer-specific information deemed to be of a confidential nature requiring controlled access), Transporter will require the Subscriber to provide a written request and officer level approval for issuance of a company-level computer access (logon) identification code and password. Upon receipt of such request, Transporter will ensure return of a confidential logon code and password within one (1) business day.

18.8 LOGON

A Subscriber's logon identification and password are confidential and are used to identify that Subscriber. A Subscriber shall keep his logon and password confidential. A Subscriber will ensure that only authorized employees and agents of Subscriber will be given Subscriber's logon and password and only these authorized persons will be permitted to access this web site on Subscriber's behalf. A Subscriber and the Subscriber's employees and agents will not disclose the Subscriber's logon and password to anyone without authority to access this web site for the Subscriber. To ensure such confidentiality is not breached, requests from Subscriber employees or agents for information regarding Subscriber logon identification and password made subsequent to issuance of the original logon identification and password may not be honored without receipt by Transporter of additional authorization from Subscriber. Subscriber shall be responsible for and accepts liability for any security breach that is traced to Subscriber's logon identification and password.

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 86B
Cancels Original Sheet No. 86B

GENERAL TERMS AND CONDITIONS

18.9 BREACH OF SECURITY

A Subscriber shall promptly notify Transporter if there is any indication that a security breach has occurred with regard to Subscriber's logon identification and password. This includes, but is not limited to: (a) loss of confidentiality of logon identification and password; (b) termination of employment of any authorized employee; or (c) loss of authority to access this web site by any authorized employee. Such notification shall be made to Transporter's Electronic Customer Services Department.

18.10 LIMITATION TO ACCESS

A Subscriber may attempt to access only that data for which Subscriber has authorization. A Subscriber shall provide supporting legal documentation prior to being given access to data of other subsidiaries, affiliates, or companies for whom it has an agency relationship. See Section 7.5 of each of the Rate Schedules for information on delegation.

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Advice Letter No. 55 Settlement

Decision or
Authority No.

Bentley W. Breland
Issuing Officer

Vice President
Title

Issue Date:

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2

Third Revised Sheet No. 87

Cancels Second Revised Sheet No. 87

GENERAL TERMS AND CONDITIONS

18.11 LIMITS OF RESPONSIBILITY

Transporter shall not be responsible for an omission or failure by Transporter to act or perform any duty requested by a function accessed via this web site if such omission or failure to act is caused by or related to data lost in the transmission of such data from Subscriber's to Transporter's computer system, power failures, failure of backup systems, or any other event beyond the reasonable control of Transporter.

18.12 RESERVATION

Transporter reserves the right to add, modify or terminate web site functions at any time subject to compliance with Commission Regulations.

18.13 AGREEMENT

Any Subscriber who is not a Shipper under one of the Rate Schedules of this Tariff, but has an operating interest will be required, as a precondition of access to this web site, to sign an agreement with Transporter pursuant to which the Subscriber agrees to be bound by the provisions of this Section.

19. SCHEDULING PRINCIPLES

The order for scheduling Gas quantities shall be as follows:

- a. Firm services at primary points (scheduled pro rata based on nominations);
- b. Firm services at secondary points (scheduled pro rata based on nominations);
- c. Interruptible Transportation Service at maximum rates (scheduled pro rata based on nominations);
- d. Interruptible Transportation Service at less than maximum rates (scheduled by rate);
- e. Firm service overruns (scheduled pro rata based on nominations);
- f. Interruptible Transportation Service overruns (scheduled pro rata based on nominations);
- g. Imbalance Gas.

S

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 88
Cancels Original Sheet No. 88

GENERAL TERMS AND CONDITIONS

20. DETERMINATION OF RECEIPTS AND DELIVERIES

20.1 For purposes of billing a Customer, the order of nominated services through a particular Delivery Point, unless otherwise determined, will be:

- a. Nominated firm Resale Service or Transportation Service;
- b. Nominated Interruptible Transportation Service;
- c. Authorized overrun deliveries;
- d. Imbalance Gas; and
- e. Unauthorized overrun deliveries.

20.2 The allocation of Gas volumes through any Receipt Point or Delivery Point will be the allocation supplied by the interconnecting Transporting Pipeline, or, if none, as reported by the operator of the delivering facilities, or, if not so reported, then according to the following formula:

- a. Gas will be allocated first to firm services through the point, up to the daily nomination. If insufficient Gas is available to satisfy firm nominations, the available Gas will be allocated *pro rata* based on firm nominations;
- b. Any remaining volumes will be allocated *pro rata* to Interruptible Transportation Service based on Confirmed Nominations.

Except as to those Receipt Points or Delivery Points for which an operational balancing agreement is in effect, the Company will enter into mutually acceptable pre-determined allocation agreements with upstream or downstream Transporting Pipelines to accommodate allocation methodologies different than that outlined in this section. The allocation methodology types which the Parties may agree upon are ranked, *pro rata*, percentage and swing; provided that only one methodology shall be applied during an allocation period. If the Parties cannot agree upon an allocation methodology, flows will be allocated *pro rata* based upon Confirmed Nominations. The Party responsible for custody transfer (the Party performing the measurement function) shall provide the allocation. The upstream Transporting Pipeline providing the point confirmation shall submit the pre-determined allocation to the allocating Party after or during confirmation and before the start of the Day.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Second Revised Sheet No. 89
Cancels First Revised Sheet No. 89

GENERAL TERMS AND CONDITIONS

21. ALLOCATION OF AVAILABLE CAPACITY

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|------|--|---|
| 21.1 | Capacity availability is determined by using a hydraulic capacity determination model. | N |
| 21.2 | The Company will endeavor, but is not obligated, to list available Capacity on its interactive web site. | T |
| 21.3 | Resale Service Customers shall have the first call on Capacity available on the Company's pipeline system. Except as otherwise provided in this Tariff, any remaining Capacity shall be made available to any Shipper or applicant for Transportation Service meeting the requirements of the applicable rate schedule on a first-come, first-served basis. The Company may, but shall not be required to, hold an open season from time to time with respect to the Capacity then available for Transportation Service on its system, or any portion thereof, during which the Company will solicit bids for the Capacity specified in the open season notice. All bids for the posted Capacity that are received during the period established for the open season shall be deemed to have been received at the same time. Subject to paragraph 21.3 of this section, and any other requirement or limitation contained in this Tariff, the Company will award the Capacity offered through the open season process to the bidder offering the highest economic value. In the event that bids of equal value are received, the Capacity will be offered to the winning bidders pro rata based on the respective level of Capacity requested by each of said bidders. | T |
| 21.4 | The Company under no circumstances shall be obligated to sell Capacity on its system at a total rate less than the sum of the maximum rates set forth in this Tariff for the applicable rate schedule. | T |

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 90
Cancels Original Sheet No. 90

GENERAL TERMS AND CONDITIONS

22. Reserved for Future Use.

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Advice Letter No. 55 Settlement

Decision or
Authority No.

Bentley W. Breland
Issuing Officer

Vice President
Title

Issue Date:

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Second Revised Sheet No. 91
Cancels First Revised Sheet No. 91

D

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Advice Letter No. 55 Settlement

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Decision or
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Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 92
Cancels Original Sheet No. 92

D

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Advice Letter No. 55 Settlement

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Decision or
Authority No.

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Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 93
Cancels Original Sheet No. 93

D

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Advice Letter No. 55 Settlement

Decision or
Authority No.

Bentley W. Breland
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Vice President
Title

Issue Date:

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 94
Cancels Original Sheet No. 94

GENERAL TERMS AND CONDITIONS

23. CONTINUOUS SERVICE

The Company will exercise reasonable diligence and care to furnish continuous service to its Customers, and to avoid any Interruptions or Curtailments of that service. The Customer has been advised of, and has recognized before utilizing the Company's service, the hazards of continuity of service. The Company shall not be liable for Interruptions or Curtailments, or any loss or damage of any kind occasioned thereby, including consequential damages, to any Customer, End-Use Party, or other entity if the same is caused by accident, acts of God, floods, fire, strikes, riots, earthquake, avalanche, war, or any other cause or contingency beyond its control.

24. LIMITATIONS ON OBLIGATIONS

24.1. Force Majeure.

- a. The Company shall not be liable on any account whatsoever to a Customer for any failure, Interruption, or diminution in delivery of Gas hereunder, or any act, omission or circumstance occasioned by, or in consequence of, accident to, or breakage of, pipelines, equipment, or machinery, explosions, landslides, earthquakes, fires, lightning, floods, washouts, freezing, storms,

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 97
Cancels Original Sheet No. 97

GENERAL TERMS AND CONDITIONS

- b. The order of service priorities for purposes of Curtailment, from lowest to highest, is as follows:
- (1) Imbalances
 - (2) Interruptible Transportation Service authorized overruns
 - (3) Firm Transportation Service authorized overruns
 - (4) Interruptible Transportation Service
 - (5) Firm services at secondary Receipt Points and/or Delivery Points
 - (6) Firm services at primary Receipt Points and/or Delivery Points

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Whenever the Capacity of all or a portion of the Company's system or system segment, due to any cause, is such that the Company is unable to serve all Interruptible Transportation Service Customers within priority numbers 2 or 4, Customers receiving service at a lower rate will be curtailed before those Customers receiving service at a higher rate. Should any Customers have equal priority based on rate paid, available Capacity shall be allocated pro rata based on Confirmed Nominations.

Whenever the Capacity of all or a portion of the Company's system or system segment, due to any cause, is such that the Company is unable to serve all firm service Customers within priority numbers 3 or 5, available Capacity shall be allocated pro rata based on Confirmed Nominations.

Whenever the Capacity of all or a portion of the Company's system or system segment, due to any cause, is such that the Company is unable to serve all firm service Customers within priority number 6, available Capacity shall be reduced pro rata based on maximum daily contract quantities. Notwithstanding the foregoing, the Company will curtail deliveries to the extent practicable granting preference to Resale Service or Transportation Service Parties to meet the needs of Residential Service End-Use Parties.

Advice Letter No. 55 Settlement

Decision or
Authority No.

Bentley W. Breland
Issuing Officer

Vice President
Title

Issue Date:

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 102
Cancels Original Sheet No. 102

GENERAL TERMS AND CONDITIONS

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

Upon issuance of an Operational Alert, the Company may also take such actions as are within its control and discretion to alleviate or forestall the situation, including invoking the provisions of Section 24, Limitations on Obligations, of these General Terms and Conditions. Customers shall be notified of Operational Alerts via telephone and/or Company's internet website and this shall constitute notice that issuance of an Operational Flow Order ("OFO") may be imminent.

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26.2 Operational Flow Orders.

- a. An Operational Flow Order is an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity, of the Company's system or to maintain operations required to provide efficient and reliable service. The Company shall have the right to issue Operational Flow Orders as specified in this section if such action is required in order to:

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

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 103
Cancels Original Sheet No. 103

GENERAL TERMS AND CONDITIONS

(7) In one of the following situations:

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

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 104
Cancels Original Sheet No. 104

GENERAL TERMS AND CONDITIONS

- (c) In the event there is a need for the Company to engage in routine and normal maintenance of the system, to undertake repairs and replacements of lines of pipe, to schedule Department of Transportation compliance activities, to install taps, to make pig runs, to test equipment, or to engage in similar actions affecting the Capacity of any portions of the system, the Company may issue an OFO(s) pursuant to this paragraph which will contain an estimate of the time, duration, and impact of the activity. This provision is in addition to Section 24, Limitations on Obligations, of the General Terms and Conditions of this Tariff as an event of force majeure may affect deliveries without triggering the need for an OFO. An order issued pursuant to this paragraph shall be canceled when such planned maintenance or other activities have been completed.
- (d) The Company may, on a non-discriminatory basis, issue such other reasonable OFOs as may be required for the purposes set forth in this section in order to provide the services contemplated in this Tariff.

Before issuing an OFO, the Company will attempt to identify specific Customers causing a problem and attempt to remedy those problems. Where operationally feasible, service to Interruptible Shippers will be suspended prior to issuing an OFO curtailing service to firm Customers.

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

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 105
Cancels Original Sheet No. 105

GENERAL TERMS AND CONDITIONS

- (1) Identification of the Parties subject to the OFO;
- (2) The time the OFO will become effective;
- (3) The estimated duration of the OFO;
- (4) The triggering tariff provision which is the basis for the OFO;
- (5) Whether the Company is overdelivered or underdelivered;
- (6) Whether actual net receipts need to be equal to or greater than actual deliveries, or actual deliveries need to be equal to or greater than actual net receipts;
- (7) Whether authorized overruns are acceptable; and
- (8) A 24 hour contact number for the Company during the duration of the OFO.

Where an OFO is issued pursuant to this section and made effective on less than twenty-four (24) hours' notice, the Company will provide affected Customers with a detailed explanation, with all relevant information specific to the individual situation, to justify issuance of the OFO.

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

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 106
Cancels Original Sheet No. 106

GENERAL TERMS AND CONDITIONS

- d. If an OFO is issued, the Company will direct one or more Customers to adjust receipts and/or deliveries at specific point(s) on the Company's system. The Company reserves the right to request holders of firm Capacity under Rate Schedules GRS-1 and FTS-1 of this Tariff to use their Primary Receipt Point(s) or Primary Delivery Point(s) to maintain the integrity of the system.
- e. On any Day that an Operational Flow Order is in effect, all quantities tendered on an individual Service Agreement basis to the Company by a Shipper and/or taken by a Customer on a daily basis in violation of the Company's Operational Flow Orders shall constitute unauthorized receipts or deliveries for which a charge of \$25.00 per MMBtu shall be assessed. With respect to quantities tendered or taken on a daily basis in violation of an OFO, the Customer also shall be assessed a charge equal to the highest spot gas price listed in Gas Daily's Daily Price Survey relative to Colorado Interstate Gas Company, Northwest Pipeline Corporation and Questar Pipeline Company, applicable to the "Rockies" (Rocky Mountain) region, for the Day that the unauthorized deliveries occurred; provided that said unauthorized deliveries shall be excluded from the determination of an offending Shipper's Imbalance for the Monthly Billing Period. Customers will be exempt from penalties on imbalances that result from complying with an OFO. Imbalances accrued during and in compliance with an OFO will be cashed out at 100% of the index price as noted above, and such amount of imbalance will be excluded from the monthly cash out provisions. Upon an OFO becoming effective, as specified in the OFO or as provided in this section, Customers, Transporting Pipelines, and other Parties shall be permitted the time stated in the OFO, or such lesser time as is required to protect the integrity of the Company's system, to make adjustments in compliance with the OFO(s). If the Customer, Transporting Pipeline, or other Party adjusts its tenders or takes within such notice period, then no charge, as provided for herein, shall be assessed.

C

D

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Second Revised Sheet No. 107
Cancels First Revised Sheet No. 107

GENERAL TERMS AND CONDITIONS

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

26.3 Unauthorized Gas

Unauthorized gas is gas which has not been nominated by the Customer and scheduled and confirmed by the Company at a receipt or delivery point. The Company will notify the Point Operator by approximately the 15th Day of each Month of their level of unauthorized Gas for the preceding Month.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 108
Cancels Original Sheet No. 108

GENERAL TERMS AND CONDITIONS

- a. Unauthorized Receipts. Any point operator that delivers unauthorized Gas onto the Company's system will be given thirty (30) Days from the date the Company provides notice to the point operator that such Gas has been received, to deliver it off the system or identify the associated shipper of gas, otherwise it will become the property of the Company at the end of the thirty (30) Day period. Such gas shall be treated as an operator overrun. Receipt gas treated as an operator overrun will be deemed to have used the Company's facilities. If the point operator does not have a transportation service agreement, the point operator will be charged the highest Interruptible Transportation rate in the Company's tariff, unless otherwise agreed to in writing. If the party who delivered such gas onto the Company's system is not identified, the gas will become the property of the Company thirty (30) days after it was noticed. N
- b. Unauthorized Deliveries. When Unauthorized Gas is taken from the Company's system by a point operator without a Transportation Service agreement, such gas shall be treated as an operator overrun. Delivered gas treated as an operator overrun will be deemed to have used the Company's facilities. If the point operator has a current transportation service agreement(s), the point operator will be charged at the highest rate under that agreement(s). If the point operator does not have a transportation service agreement(s), the point operator will be charged the highest Interruptible Transportation rate in the Company's tariff and the Company shall sell the operator overrun gas to the point operator at 150% of the "Spot Gas Price Delivered to Pipelines," as defined in Section 5.3 of the FTS and ITS rate schedules of this Tariff for the month in which the operator overrun gas is taken, unless otherwise agreed to in writing. N
- c. If point operator delivers or takes Unauthorized gas during an OFO period, the point operator will be subject to unauthorized receipts or deliveries charges as contained in Section 26.2e of these General Terms and Conditions in addition to this Section 26.3. N

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

GENERAL TERMS AND CONDITIONS

27. COMPANY PROPERTY

S

All lines of pipe, apparatus, instruments, meters, regulators and related equipment and material supplied and owned by the Company will be and remain the property of the Company. Except in emergencies where immediate action is needed to preserve life or property, the Company's property shall not be worked upon, tampered with, modified, altered, or otherwise interfered with by the Customer, or any agents, employees, licensees or contractors of the Customer, without prior authorization from the Company.

28. COMPANY AND CUSTOMER PIPING

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28.1 Definitions. For the purposes of this section, and as otherwise used in this Tariff, the following terms will have the indicated meanings:

S

a. "Service Stub" means the Gas line from the Company's main to the Customer's property line.

S

b. "Yard Line" means the Gas line from the Service Stub directly to the outermost foundation of the Customer's primary structure, regardless of the meter location.

S

c. "Customer-owned Yard Line" means Yard Lines located in mobile home parks with one park owner who rents lots, and other special circumstances where Company investment does not warrant Company ownership of the Yard Line.

S

d. "Company-owned Yard Line" means all Yard Lines except Customer-owned Yard Lines.

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 112
Cancels Original Sheet No. 112

GENERAL TERMS AND CONDITIONS

30.2 If a Customer or applicant for service refuses to allow the Company onto the premises, or into the domicile, in the situation delineated in paragraph 30.1 of this section, the Company may, at its discretion, and pursuant to Section 3, Conditions for Refusal of or Discontinuance of Service of these General Terms and Conditions, discontinue or refuse service to the Customer or applicant.

31. RELOCATION OF FACILITIES

Notwithstanding any provision contained within this Tariff, the Customer will bear the cost of relocating facilities used in the provision of Gas service to the Customer when necessary to comply with applicable legal requirements or to mitigate potential or existing safety hazards. The Company may assess a charge not to exceed the Company's then-current standard hourly service charge for all work performed, plus equipment charges and materials. If the work must be performed outside of normal business hours, either due to exigent circumstances or at the Customer's request, the Company may assess its hourly service charge applicable to such after-hours service calls.

32. DISCONNECTION FOR DANGEROUS CONDITION FOUND ON CUSTOMER'S PREMISES

32.1 The Customer shall install and maintain the Gas piping, fixtures and appliances on the Customer's premises either in accordance with the ordinances of the city in which the Customer is located or in accordance with the Company's standards. The Company may terminate service to the Customer immediately and shall give written notice of any defective Customer-owned facility or unsafe conditions which may impair service or may result in injury or damage to any person or property. Refer to the Company's red tag procedures in the Company's Standard Practices Manual.

Advice Letter No. 55 Settlement

Decision or
Authority No.

Bentley W. Breland
Issuing Officer

Vice President
Title

Issue Date:

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Third Revised Sheet No. 116
Cancels Second Revised Sheet No. 116

GENERAL TERMS AND CONDITIONS

39. NOTICES

Except as otherwise provided in this Tariff or the Agreement, operational communications may be made by telephone or other mutually agreeable means, provided that the Company shall keep a written log of all communications made by telephone. Any notice, request, demand, statement or bill provided for in this Tariff, or any notice which either the Company or the Shipper may desire to give to the other, shall be in writing and shall be considered as duly delivered when deposited in the United States mails, postage prepaid and registered, addressed to the Post Office address of the Company or the Shipper, or at such other address as either shall designate by formal written notice, except that routine communications (including monthly statements and payments) shall be considered as duly delivered when mailed by either registered or ordinary mail, and except that notices pursuant to (a) the unauthorized daily overrun provisions of rate schedules GRS-1, FTS-1 and ITS-1, (b) Section 24, Limitations on Obligations, of these General Terms and Conditions, and (c) Section 26, Operational Controls, of these General Terms and Conditions may be given orally or by facsimile or by electronic mail message.

C

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Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Third Revised Sheet No. 120
Cancels Second Revised Sheet No. 120

FORM OF
FIRM TRANSPORTATION SERVICE AGREEMENT

**ROCKY MOUNTAIN NATURAL GAS COMPANY
FIRM TRANSPORTATION SERVICE AGREEMENT**

This Firm Transportation Service Agreement ("Agreement"), is made and entered into between Rocky Mountain Natural Gas Company, a Colorado corporation ("Transporter") and the party identified as Shipper in this Agreement.

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

ARTICLE I - SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule FT and Transporter's General Terms and Conditions, Transporter agrees to receive, transport and deliver on a firm basis thermally equivalent volumes of gas, adjusted for the Fuel/Loss Reimbursement Quantity, up to the Maximum Daily Transportation Quantity (MDTQ).

ARTICLE II - TERM OF AGREEMENT

This Agreement shall become effective and continue in effect as set forth herein. If renewable following the primary term, this Agreement may be terminated by either party upon thirty (30) Days' prior written notice, provided that, if the Shipper is paying the maximum rate for this service as stated on the applicable rate sheet of Company's Tariff, this Agreement shall continue from year to year after the initial term of the Service Agreement, until terminated as of the end of any contract year upon thirty (30) days' prior written notice from Shipper to Company.

ARTICLE III - RATE SCHEDULE

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

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

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

Advice Letter No. 55 Settlement

Decision or
Authority No.

Bentley W. Breland
Issuing Officer

Vice President
Title

Issue Date:

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Original Sheet No. 120A

FORM OF
FIRM TRANSPORTATION SERVICE AGREEMENT

ROCKY MOUNTAIN NATURAL GAS COMPANY
FIRM TRANSPORTATION SERVICE AGREEMENT

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

Natural gas to be received by Transporter for the account of Shipper hereunder shall be received on the outlet side of the measuring station(s) at or near the point(s) of receipt, as specified in Appendix A.

S

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

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

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The remainder of this sheet has been left blank intentionally.

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Second Revised Sheet No. 122
Cancels First Revised Sheet No. 122

FORM OF
FIRM TRANSPORTATION SERVICE AGREEMENT

ARTICLE XI - SPECIFIC INFORMATION

Firm Transportation Service Agreements between Rocky Mountain Natural Gas Company (Transporter") and _____ ("Shipper").

Contract Number _____ Contract Date _____

Revision Date _____

Primary Term _____

Renewal Term - Month-to-Month _____ Year-to-Year _____ Other _____

Termination Notice 30 Days _____ Other _____

Transporter Rocky Mountain Natural Gas Company
P.O. Box 281304
Lakewood, CO 80228-8304
Attn: Marketing and Transportation
Telephone: (303) 989-1740
Fax: (303) 763-3515

Shipper: Company Name
Street Address
City, State, Zip
Contact Name
Telephone Number
Fax Number

Maximum Daily Transportation Quantity** _____

The rate charged will be the maximum transportation rate unless otherwise agreed to in writing. The fuel/loss charge will be as stated on the applicable rate sheet of this Tariff.

** Pursuant to Rate Schedule FTS-1, Transporter may increase the MDTQ if Shipper overruns the MDTQ stated herein on four (4) or more days in any month.

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

Effective Date: _____

ROCKY MOUNTAIN NATURAL GAS COMPANY

SHIPPER

By: _____

By: _____

Title: _____

Title: _____

Advice Letter No. 55 Settlement
Decision or
Authority No.

Bentley W. Breland
Issuing Officer
Vice President
Title

Issue Date:
Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 123A
Cancels Original Sheet No. 123A

FORM OF
FIRM TRANSPORTATION SERVICE AGREEMENT

APPENDIX B

To the Firm Transportation Service Agreement between Rocky Mountain Natural Gas Company (Transporter) and _____ (Shipper), Contract Number _____.

<u>Point of Delivery</u>	<u>Point Identification No. (PIN)</u>	<u>Maximum Daily Delivery Quantity</u>	<u>Atmospheric Pressure</u>	<u>Provision for Incremental Facility</u>
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Primary Delivery Point:

Secondary Delivery Point:

This Appendix B supersedes and cancels any previously effective Appendix B to this Firm Transportation Service Agreement.

Effective Date: _____

ROCKY MOUNTAIN NATURAL GAS COMPANY _____

By: _____

By: _____

Title: _____

Title: _____

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 123B
Cancels Original Sheet No. 123B

FORM OF
INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT

**ROCKY MOUNTAIN NATURAL GAS COMPANY
INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT**

This Interruptible Transportation Service Agreement ("Agreement"), is made and entered into between Rocky Mountain Natural Gas Company, a Colorado corporation ("Transporter") and the party identified as Shipper in this Agreement.

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

ARTICLE I - SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule IT and Transporter's General Terms and Conditions, Transporter agrees to receive, transport and deliver on an interruptible basis thermally equivalent volumes of gas, adjusted for the Fuel Reimbursement Quantity, up to the Maximum Daily Transportation Quantity (MDTQ).

ARTICLE II - TERM OF AGREEMENT

This Agreement shall become effective and continue in effect as set forth herein. If renewable following the primary term, this Agreement may be terminated by either party upon 30 days prior written notice.

ARTICLE III - RATE SCHEDULE

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

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

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

Advice Letter No. 55 Settlement

Decision or
Authority No.

Bentley W. Breland
Issuing Officer

Vice President
Title

Issue Date:

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 123C
Cancels Original Sheet No. 123C

FORM OF
INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT

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

Natural gas to be received by Transporter for the account of Shipper hereunder shall be received on the outlet side of the measuring station(s) at or near the point(s) of receipt, as specified in Appendix A.

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

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

ARTICLE V - QUALITY

All natural gas tendered for transportation to Transporter for the account of Shipper at the Receipt Point(s) shall conform to the quality specifications set forth in the General Terms and Conditions, as revised from time to time. Transporter may receive gas not conforming to the quality specifications if treatment facilities on Transporter's system will bring such gas into conformance with the quality specifications. Transporter may refuse to receive on a non-discriminatory basis any gas for transportation which does not meet such quality specifications and will not be treated to meet the quality specifications.

ARTICLE VI - PROCESSING

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

ARTICLE VII - ASSIGNMENT

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

Advice Letter No. 55 Settlement
Decision or
Authority No.

Bentley W. Breland
Issuing Officer
Vice President
Title

Issue Date:
Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 123D
Cancels Original Sheet No. 123D

FORM OF
INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT

T

ARTICLE VIII - INTERPRETATION AND MODIFICATIONS

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

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

ARTICLE IX - AGREEMENT BEING SUPERSEDED

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

ARTICLE X - CERTIFICATIONS

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

Advice Letter No. 55 Settlement

Decision or
Authority No.

Bentley W. Breland
Issuing Officer

Vice President
Title

Issue Date:

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 123E
Cancels Original Sheet No. 123E

FORM OF
INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT

ARTICLE XI - SPECIFIC INFORMATION

Interruptible Transportation Service Agreement between Rocky Mountain Natural Gas Company (Transporter")
and _____ ("Shipper").

Contract Number _____ Contract Date _____

Primary Term _____

Renewal Term - Month-to-Month _____ Other _____

Termination Notice _____

Transporter Rocky Mountain Natural Gas Company
P.O. Box 281304
Lakewood, CO 80228-8304
Attn: Marketing and Transportation
Telephone: (303) 914-4765
Fax: (303) 763-3515

Shipper

Telephone:
Fax:

Maximum Daily Transportation Quantity: _____

The rate charged will be the maximum transportation rate unless otherwise agreed to in writing. The fuel/loss charge will be as stated on the applicable rate sheet of this Tariff.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives.

Effective Date: _____

Rocky Mountain Natural Gas Company

By: _____

By: _____

Title: _____

Title: _____

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 123F
Cancels Original Sheet No. 123F

FORM OF
INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT

T

APPENDIX A

To the Interruptible Transportation Service Agreement between Rocky Mountain Natural Gas Company ("Transporter") and _____ ("Shipper"); Contract Number _____.

<u>Point of Receipt</u>	<u>Point Identification No. (PIN)</u>	<u>Maximum Receipt Pressure</u>	<u>Maximum Daily Receipt Quantity in Mcf/d</u>	<u>Atmospheric Pressure</u>	<u>Provision for Incremental Facility</u>
-----------------------------	---	---	--	---------------------------------	---

Quality waivers:

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

Effective Date: _____

Rocky Mountain Natural Gas Company _____

By: _____ By: _____

Title: _____ Title: _____

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 123G
Cancels Original Sheet No. 123G

FORM OF
INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT

APPENDIX B

To the Interruptible Transportation Service Agreement between Rocky Mountain Natural Gas Company (Transporter) and _____ (Shipper), Contract Number _____.

<u>Point of Delivery</u>	<u>Point Identification No. (PIN)</u>	<u>Maximum Daily Delivery Quantity in Mcf/d</u>	<u>Atmospheric Pressure</u>	<u>Provision for Incremental Facility</u>
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This Appendix B supersedes and cancels any previously effective Appendix B to this Interruptible Transportation Service Agreement.

ITS End-Use Acknowledgment and Consent Agreement, if applicable, is attached hereto.

Effective Date: _____

Rocky Mountain Natural Gas Company

By: _____

By: _____

Title: _____

Title: _____

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 125
Cancels Original Sheet No. 125

FORM OF
TRANSPORTATION SERVICE REQUEST

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

Legal Name of Principal: _____
which is a(n):

___ Local Distribution Company ___ Intrastate Pipeline
___ Interstate Pipeline ___ Producer
___ End User ___ Marketer
___ Other(specify) _____

SERVICE REQUESTED

Type of Service Requested: ___ Firm ___ Interruptible**

___ New Amendment to Agreement dated: _____

Form of Service: Intrastate: _____ Interstate*: _____

**"On behalf of" Entity information (letter required) - service will be "on behalf of" pursuant to Subpart C of Part 284 of the FERC regulations:

Legal Name: _____

___ LDC ___ Interstate Pipeline

The named "on behalf of" entity will:

___ Transport the gas ___ Take title to the gas

**ITS Acknowledgment and Consent form, if applicable, must be attached.

Advice Letter No. 55 Settlement
Decision or
Authority No.

Bentley W. Breland
Issuing Officer

Vice President
Title

Issue Date:

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
First Revised Sheet No. 131
Cancels Original Sheet No. 131

FORM OF
INTERRUPTIBLE TRANSPORTATION SERVICE
END-USE PARTY ACKNOWLEDGMENT AND CONSENT

_____, Shipper, has requested that Rocky Mountain Natural Gas Company, the "Company", provide Interruptible Transportation Service to said Shipper for transportation of gas that ultimately will be consumed by you, the End-Use Party. Service under an interruptible rate schedule means that the Company may halt the transportation of the gas destined to be consumed by you for virtually any reason. Interruptible service is the lowest priority service and can be interrupted by the Company whenever interruption is necessary to serve customers with a higher priority for service than your Shipper, which may include other interruptible Shippers paying a higher rate than is being paid by your Shipper. If the Company at any time interrupts deliveries of gas to your Shipper, you will not be entitled to use gas to the extent of the interruption. If you use gas on an unauthorized basis during a period of interruption or otherwise, your Shipper may be assessed stiff penalties for such unauthorized usage.

The Company will not provide your Shipper with the requested interruptible service unless you sign this letter and provide it to your Shipper for delivery to the Company. In so doing, you are indicating (1) your willingness to utilize gas transported for your Shipper in a manner consistent with the interruptible nature of the service to be provided, (2) that you acknowledge that failure to utilize the gas transported for your Shipper in a manner consistent with the interruptible nature of the service to be provided may subject your Shipper to stiff penalties which may be passed on to you by your Shipper, (3) that you wish to give your consent that the Company provide interruptible transportation service to your Shipper for the transportation of gas ultimately to be used by you, and (4) that you do not meet the definition of a Human Needs Customer.

As a condition precedent to receiving Interruptible Transportation Service, the End-Use Party must execute and deliver to Transporter this form of acknowledgement and consent. By executing an Interruptible Transportation Service Agreement, End-Use Party affirms that they will not be a Human Needs Customer during the term of this Agreement. End-Use Party will provide Transporter, on demand at any time, documentation requested by Transporter verifying End-Use Party is not a Human Needs Customer. Failure to meet the qualification at any time during the term of the Interruptible Transportation Agreement shall be cause for immediate termination of the Agreement.

Advice Letter No. 55 Settlement
Decision or
Authority No.

Bentley W. Breland
Issuing Officer
Vice President
Title

Issue Date:
Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Original Sheet No. 131A

FORM OF
INTERRUPTIBLE TRANSPORTATION SERVICE
END-USE PARTY ACKNOWLEDGMENT AND CONSENT

The term "Human Needs Customer" means an End-Use Party that will use Transportation Service Quantities in any of the following facilities: houses, condominiums, hotels, resorts, dormitories, nursing homes, retirement homes, hospitals, assisted living facilities, schools, daycare facilities and other facilities where humans regularly stay overnight.

Signed,

Name of End-Use Party

Title

Date

Advice Letter No. 55 Settlement

Decision or
Authority No.

Bentley W. Breland
Issuing Officer

Vice President
Title

Issue Date:

Effective Date:

N

S

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Original Sheet No. 139

FORM OF AGENCY AGREEMENT

N

TRANSPORTERS: ☐ Kinder Morgan, Inc.
☐ Rocky Mountain Natural Gas Company
☐ Kinder Morgan, Inc. – Casper Division

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

☐ Request Agreement(s)/Amendments ☐ Submit Nominations ☐ Imbalance Trading
☐ Execute Agreement(s)/Amendments ☐ Capacity Release/Bidding ☐ Receive Invoices
☐ Flowing Gas/By Contract ☐ Capacity Release/Create Offer ☐ Receive Notices
☐ Flowing Gas/By Point* ☐ Operator Confirmations** ☐ Contract Inquiry
☐ Operator Point Inquiry**

*Attach List of Points/Pin No.

**Attach list of telemetered points.

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

Detailed description of other responsibilities being DELEGATED: _____

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

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

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

Advice Letter No. 55 Settlement

Bentley W. Breland
Issuing Officer

Issue Date:

Decision or
Authority No.

Vice President
Title

Effective Date:

Rocky Mountain Natural Gas Company

Colo. PUC No. 2
Original Sheet No. 140

FORM OF AGENCY AGREEMENT – continued

N

Principal shall remain liable to Transporter for all of its obligations as Shipper under the Agreement(s). Principal and Agent, each, hereby indemnify and hold Transporter harmless from any and all liabilities, losses, damages, expenses and other obligations of any nature whatsoever that Transporter may suffer as a result of any and all claims, demands, costs, attorney fees and judgments against Transporter resulting from Transporter's reliance on Agent, including but not limited to payment made by Transporter to Agent or actions taken by Transporter pursuant to Agent's actions or inaction under the Agreement(s).

Principal's designation and appointment of Agent may be terminated or canceled at any time by the Principal or Agent, but no such termination or cancellation shall be effective as to Transporter until such time as Transporter shall have received written notice thereof by the terminating or canceling party.

The parties acknowledge that receipt by Transporter of an executed delegation form transmitted by facsimile shall constitute a valid enforceable agreement and shall legally bind the parties accordingly.

_____ GID _____	_____ GID _____
(Principal Name)	(Agent Name)
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
(Must be authorized signature)	(Must be authorized signature)

TO BE COMPLETED BY TRANSPORTER

Delegation Agreement No. _____

Advice Letter No. 55 Settlement

Decision or
Authority No.

Bentley W. Breland
Issuing Officer

Vice President
Title

Issue Date:

Effective Date:

BEFORE THE PUBLIC UTILITIES COMMISSION

STATE OF COLORADO

DOCKET NO. 06S-475G

STIPULATION AND AGREEMENT OF ROCKY MOUNTAIN NATURAL GAS COMPANY, THE STAFF OF THE PUBLIC UTILITIES COMMISSION, A M GAS TRANSFER CORP., UNITED ENERGY TRADING, LLC, AMERICAN GYPSUM COMPANY, AND ENSERCO ENERGY INC., IN RESOLUTION OF PROCEEDING

RE: THE INVESTIGATION AND SUSPENSION OF TARIFF SHEETS FILED BY ROCKY MOUNTAIN NATURAL GAS COMPANY WITH ADVICE LETTER NO. 55

ATTACHMENT B

SUBSTANTIVE REVISIONS TO TARIFF SHEETS

Rate Schedules FTS-1 (Sheet No. 22):

3.5. Shipper shall be responsible for ensuring that the Maximum Daily Transportation Quantity is sufficient to meet the maximum quantity an End-Use party uses at its individual Delivery Point(s). If Shipper's Maximum Daily Transportation Quantity at any Delivery Point(s) is overrun by the End-Use Party, Transporter may increase Shipper's Maximum Daily Transportation Quantity pursuant to the terms and conditions of Section 5.3.a. of this Rate Schedule.

Rate Schedules FTS-1 and ITS-1 (proposed revisions on Sheet Nos. 34, 49):

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

Rate Schedules FTS-1 and ITS-1 (Sheet Nos. 34, 49):

7.1.i. Daily Balancing Fee. Upon prior notice to a Shipper consistent with Section 7.1.h., above, to adjust inaccurate nominations, a daily balancing fee may be assessed during Daily Balancing Periods when it is determined that the variance between Shipper's actual net receipts and deliveries, as of the end of the applicable Day of the Daily Balancing Period, is in excess of five percent (5%). If said notice is issued by the Company no later than the latest time for issuing notice set forth in Section 7.1.h., the first Day of the Daily Balancing Period for which a daily balancing fee can be assessed is the Day in which the notice is issued; however, if the notice is issued by the Company later than the latest time for issuing notice set forth in Section 7.1.h., the first Day of the Daily Balancing Period for which a daily balancing fee can be assessed is the Day following the Day in which the notice is issued. The imbalance is determined by subtracting deliveries from net receipts. The imbalance percentage is then determined by dividing the absolute value of the imbalance by the daily deliveries. The daily balancing fee shall be calculated by multiplying the imbalance (in excess of the tolerance level) by the unauthorized overrun charge as stated on the applicable rate sheet of this Tariff. The Company shall not assess a daily balancing fee on a Shipper with respect to any Day of the Daily Balancing Period on which the Shipper complied with the Company's directive to said Shipper, as disclosed in the notification provided under Section 7.1.h., either to provide actual net receipts equal to or greater than actual deliveries, or to take actual deliveries equal to or greater than actual net receipts. This provision does not apply to off-system Shippers, as defined in [Section 5.3.e.(1) for Rate Schedule FTS-1; Section 5.3.d.(1) for Rate Schedule ITS-1] of this Rate Schedule, so long as the Company can adjust nominations of off-system receipts and deliveries.