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Office of Consumer Advocate Intervention Increases Pinedale Natural Gas Rate Cut

FOR IMMEDIATE RELEASE - November 25, 2003

CHEYENNE – The Office of Consumer Advocate (OCA) announced today that the Public Service Commission has approved a stipulation between the OCA and Pinedale Natural Gas, Inc. that will increase annual savings to the company's customers by a total of \$11,232 compared to PNGI's original rate reduction proposal.

After Pinedale Natural Gas, Inc. filed an application seeking to reduce its rates by a total of \$47,970 in April, the Office of Consumer Advocate intervened in the proceeding, asserting that a larger total rate decrease was in order. After negotiations, the OCA and PNGI stipulated to a total annual decrease in the Company's revenues of \$59,202.

At a Public Service Commission hearing held Monday in Cheyenne, the Commission approved the stipulation between the OCA and PNGI, which included an overall reduction in residential rates and a substantial decrease in the rates paid by PNGI's largest customer, Sublette County School District #1.

While the fixed rate component for all PNGI customers will increase from \$6.25 to \$10 per month, the total per unit residential rate adjustment, combined with a previously approved decrease in commodity costs, will decrease total residential from \$11.30 to \$10.10 per decatherm. The average residential customer will save \$11 per month during the heating season and approximately \$40 per year.

Marci Norby, Senior OCA Rate Analyst, testified that the rates agreed to in the stipulation were consistent with the interests of customers, and later stated: "We're pleased that we were able to work cooperatively with Pinedale Natural Gas to reach an agreement on a rate adjustments that the Commission found to be appropriate. The company applied to the Commission for a significant reduction, agreed to a slightly larger reduction based on the OCA analysis of their revenues and expenses, and will implement the new, lower rates on December 1."