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## **Kinder Morgan, Inc.'s Pass-On Rate [Regulated Rate] to Decrease Beginning September 1, 2003**

"We are pleased to see the Wyoming Public Service Commission approve a decrease in the Pass-on Rate [Regulated Rate] for the customers of the Kinder Morgan's Gillette division, and we look forward to the approval of similar decreases for customers in the Casper and Torrington divisions," Bryce Freeman, Administrator of the Office of Consumer Advocate said today. "Today's decrease is a reflection of the dollar-for-dollar aspect of the Pass-on Rate [Regulated Rate], the recent stabilization of the natural gas wholesale markets, and the refunding to customers of over collections that had occurred earlier this year," he continued.

Beginning September 1, 2003, Kinder Morgan Pass-on Rate [Regulated Rate] customers in the Gillette division will pay \$0.8036 per decatherm (Dth) less than they are currently paying, bringing the rate down to \$5.8573 per Dth. For the average residential customer in the Gillette area, this will result in an average monthly total bill reduction of about ten percent. The majority of the decrease is related to lower than earlier projected wholesale natural gas prices for the next nine-month period. A small portion of the rate decrease reflects the return of funds collected earlier based on estimates higher than the amount that Kinder Morgan actually paid for natural gas in the wholesale market. In Kinder Morgan's Choice Gas service area, this aspect of tracking natural gas costs on a dollar-for-dollar basis is unique to the Pass-on Rate [Regulated Rate].

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While the change approved today was only for the Gillette Division customers, there are applications currently pending before the Wyoming Public Service Commission for similar changes in the Torrington and Casper divisions. Kinder Morgan has requested to reduce the Pass-on Rate [Regulated Rate] for Torrington customers by \$0.8499 per Dth, reducing the rate to \$6.2594. Kinder Morgan has also requested to reduce the Pass-on [Regulated Rate] for Casper division customers by \$0.6787 per Dth, to a Pass-on [Regulated Rate] of \$4.9894 per Dth. “The Office of Consumer Advocate has no reason to believe that these pending applications will also not be approved for customer usage beginning September 1, 2003,” Freeman stated. “The Pass-on Rate [Regulated Rate] should be decreased at this time to reflect the recent stabilization in the wholesale natural gas market.” More than 30,000 of Kinder Morgan’s Choice Gas customers are on the Pass-on Rate [Regulated Rate] and will enjoy the benefits of these reductions, once they are approved for customers in all three divisions.