

TransColorado

Gas Transmission Company

ORIGINAL

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Vol Ia of IV

Federal Energy Regulatory Commission
Docket Branch, Room 1A
888 First Street, N.E.
Washington, D.C. 20426

CP04-12-000

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THE SECRETARY
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FEDERAL ENERGY
REGULATORY COMMISSION

Attention: Ms. Magalie R. Salas, Secretary

Re: TransColorado Gas Transmission Company;
Application for a Certificate of Public Convenience and Necessity

Ladies and Gentlemen:

Enclosed herewith for filing with the Federal Energy Regulatory Commission ("Commission") is TransColorado Gas Transmission Company's ("TransColorado") application pursuant to Section 7(c) of the Natural Gas Act requesting a certificate of public convenience and necessity to construct, modify and operate compression, minor piping and ancillary facilities necessary to transport an additional 125,000 Dth per day. The application is comprised of four volumes:

Volume I (Public Information)

Volume I, which contains public information, is separately broken out between Volume I-A which contains the application and certain exhibits and Volume I-B which contains the Environmental Report (Exhibit F-I).

✓ Volume I-A is comprised of the following:

- This letter of transmittal
- Application text
- Federal Register Notice
- Exhibits A through P (excluding Exhibits F, F-I, G/G-I, G-II, and I)

Volume I-B is comprised of the following:

- Exhibit F-I
- Resource Reports 1 through 13

* ① Disk/OEP & ③ CD-Roms/OEP

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Volume II (Non-Internet Public)

Volume II is comprised of the following:

- Exhibit F
- Exhibit F-I (alignment sheets and USGS 7.5-minutes topographic maps)

Volume III (Contains Critical Energy Infrastructure Information – Do Not Release)

Volume III is comprised of the following:

- Exhibit F-I (diagrams and drawings)
- Exhibit G/G-I
- Exhibit G-II

Volume IV (Contains Privileged Information – Do Not Release)

Volume IV is comprised of the following:

- Exhibit F-I (cultural resource reports)
- Exhibit I

TransColorado respectfully requests that the information submitted in Volume II not be placed on the internet and that the information submitted in Volumes III and IV be accorded privileged and confidential treatment pursuant to 18 C.F.R. ¶ 388.112. Accordingly, TransColorado has marked Volume III with "Contains CEII – Do Not Release," and Volume IV has been marked "Contains Privileged Information – Do Not Release." The person to be contacted regarding this request for privileged treatment is:

Bentley W. Breland
Vice President, Certificates and Rates
TransColorado Gas Transmission Company
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Lakewood, Colorado 80228-8304
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TransColorado is filing with the Commission herewith the original and 7 copies of Volumes I-A, I-B and II; the original and two copies of Volume III; and the original only of Volume IV. In addition to the paper copies of the application, TransColorado is submitting, pursuant to Section 385.2011 of the Commission's Regulations, 18 C.F.R. § 385.2011 (2003), an electronic version of the application. Therefore, enclosed herewith are one computer diskette for Volume I-A, one compact disc for Volume I-B, one compact disc for the Exhibit F-I information contained in Volume II, one compact disk marked "Contains CEII – Do Not Release" for the Exhibit F-I information contained in Volume III, and one compact disc marked "Contains Privileged Information – Do Not Release" for the Exhibit F-I information contained in Volume IV. As certified in the

verification statement to this filing, the paper copies of the application contain the same information as the electronic version.

Two additional complete sets of the application are being hand delivered to Mr. Richard R. Hoffmann, Director, Gas-Environment and Engineering. In addition, TransColorado is preparing a draft Environmental Assessment and will submit two copies of this document directly to Mr. Hoffmann under separate cover.

Very truly yours,

TransColorado Gas Transmission Company

By Bentley W. Breland
Bentley W. Breland
Vice President
Certificates and Rates

cc: Mr. David C. Swearingen
Office of Energy Projects
Room 61-42

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**TransColorado Gas Transmission
Company**

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Docket No. CP04-12-000

**Application of TransColorado Gas Transmission Company
For a Certificate of Public Convenience and Necessity**

Pursuant to Section 7(c) of the Natural Gas Act ("NGA"), 15 U.S.C. § 717f(c) (2000), and Part 157 of the Federal Energy Regulatory Commission's ("Commission") Rules and Regulations, 18 C.F.R. §§ 157.1, et seq. (2003), TransColorado Gas Transmission Company ("Applicant" or "TransColorado") hereby files this application with the Commission requesting a certificate of public convenience and necessity to construct, modify and operate compression facilities, minor piping and ancillary facilities. The proposed facilities will provide TransColorado the ability to transport an additional 125,000 Dth/d.¹

The proposed construction of these facilities satisfies the requirements of the Commission's Construction Policy Statement² and is required by the public convenience and necessity. The new compression facilities will add much needed capacity to

¹ This filing is comprised of four volumes: Volume I, which contains public information, has been separated into Volume I-A which includes the application and Volume I-B which includes the Environmental Report (Exhibit F-I); Volume II, which contains non-internet public information; Volume III, which contains Critical Energy Infrastructure Information ("CEII") and is not to be released to the general public; and Volume IV, which contains privileged information. Concurrently herewith, TransColorado is filing a letter requesting, pursuant to Section 388.112 of the Commission's Rules and Regulations, 18 C.F.R. § 388.112 (2003), confidential treatment of Volumes III and IV.

² Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC ¶ 61,227 (1999); Order Clarifying Statement of Policy, 90 FERC ¶ 61,128; Order Further Clarifying Statement of Policy, 92 FERC ¶ 61,094 (2000) (collectively, "Policy Statement").

transport natural gas supplies from the Rocky Mountain producing region. Indeed, the Commission has recognized the need for additional take-away capacity and enhanced market access for prolific Rocky Mountain gas supplies.³ TransColorado's proposal will benefit existing as well as new shippers since the proposed facilities not only add capacity, but also provide additional reliability and flexibility on the TransColorado system. Further, the new facilities will not adversely affect existing pipelines in the market and their customers. Finally, TransColorado has developed plans for the new facilities in a manner that will minimize any adverse impacts on affected landowners, communities and the environment.

TransColorado respectfully requests that the Commission address this application on an expedited basis. As explained herein, TransColorado has entered into a precedent agreement with a producer who is engaged in a significant gas drilling program in the Piceance producing basin on the western slope of the Rocky Mountains. Currently, however, there is insufficient transportation capacity to move these natural gas supplies to market. In order to provide the needed take-away capacity as expeditiously as possible, TransColorado proposes to add compression facilities to its existing transmission system. Specifically, to alleviate impending pipeline constraints due to new production in the region, and to meet the late 2004 summer peak load, TransColorado proposes to commence service by August 1, 2004. In order to meet that in-service date, TransColorado respectfully requests issuance of a certificate of public convenience and necessity by April 1, 2004.

In further support of this application, TransColorado states as follows:

³ Office of Market Oversight and Investigation, "2003 Natural Gas Market Assessment" p. 22.

I.

EXECUTIVE SUMMARY

TransColorado is proposing to create expansion capacity on its system through the addition of compression that will have minimal environmental impact and will allow developing Rocky Mountain natural gas supplies to be delivered to market. To that end, TransColorado proposes, in this application, to construct three new compressor stations, make upgrades to two existing compressor stations, and construct certain Section 2.55(a)⁴ ancillary facilities, all within the State of Colorado. The proposed facilities will provide the capability to transport approximately 125,000 Dth/d of additional firm capacity on TransColorado's existing pipeline system.

TransColorado's pipeline system extends from the Greasewood Receipt Point in Rio Blanco, County, Colorado, southward to the Blanco Hub in San Juan County, New Mexico. Starting at the north end of TransColorado's pipeline and moving south, TransColorado is proposing in this application to: (1) install one 4,735 horsepower compressor unit at the proposed new Whitewater Compressor Station; (2) re-wheel the existing compressor unit at the Olathe Compressor Station;⁵ (3) install one 4,735 horsepower compressor unit at the proposed new Redvale Compressor Station and approximately 692 feet of 10-inch pipeline to reconnect the existing Rocky Mountain Natural Gas Company ("RMNGC") receipt point to the discharge side of the proposed Redvale Compressor Station; (4) add one 3,550 horsepower compressor unit at the existing Dolores Compressor Station; (5) install two 3,550 horsepower compressor units

⁴ 18 C.F.R. § 2.55(a) (2003).

⁵ "Re-wheel" refers to re-configuring the centrifugal compressor impellers to make the unit operate more efficiently.

at the proposed new Mancos Compressor Station;⁶ and (6) construct certain ancillary facilities under the authority of Section 2.55(a) of the Commission's regulations. These facilities will be installed entirely within, or immediately adjacent to, TransColorado's existing pipeline right-of-way in the State of Colorado.⁷

The proposed project responds to the need for additional capacity to transport growing production from the Piceance and Paradox Producing Basins in the Rocky Mountains. TransColorado's pipeline system already plays a key transportation role in the region, with existing interconnects with several major interstate pipelines, intrastate pipelines, gatherers and producers. TransColorado's system includes interconnects with Colorado Interstate Gas Company ("CIG"), Questar Pipeline Company ("Questar"), Williams Production RMT Company ("Williams") and Canyon Gas Resources, Inc. ("Canyon") at the Greasewood Receipt Point; interconnects with RMNGC and Williams at the Raccoon Hollow Receipt Point; an interconnect with RMNGC at Redvale; and with El Paso Natural Gas Company ("El Paso"), Transwestern Pipeline Company ("Transwestern") and Questar Southern Trails Pipeline Company ("Southern Trails") at the Blanco Hub.

TransColorado's interconnects with these pipelines and its location in Colorado places it in a position to play a central role in the transportation of new natural gas supplies currently being developed in the Rocky Mountains. Approval of this application will enable TransColorado to enhance its existing transportation services in the region and facilitate the delivery of new Rocky Mountain supplies to the market.

⁶ These stated figures for the compressor units reflect the nameplate horsepower ratings at standard (ISO) conditions.

⁷ Permanent access roads are also required to access the new compressor sites.

TransColorado's proposal meets the requirements of the Commission's Policy Statement. As more fully discussed below, TransColorado held an open season for new capacity on its system. When no conforming bids were received, TransColorado entered into negotiations with interested parties that resulted in a precedent agreement with a shipper for 125,000 Dth/d of capacity. The precedent agreement represents subscription of 100% of the new firm transportation capacity proposed by TransColorado. During the open season, TransColorado requested turn-back capacity from existing shippers. No existing shippers responded to the turn-back solicitation. Market need, therefore, is clearly established.

TransColorado's proposal does not require any subsidies from existing shippers. As demonstrated in Exhibits N and Z-1, the revenues associated with the expansion exceed the costs of the added facilities. TransColorado's proposal, therefore, meets the threshold test of the Policy Statement. Existing shippers will not suffer degradation in service. In fact, all of TransColorado's existing shippers will benefit through increased operational reliability and flexibility. Further, as shown by Exhibits N and Z-1, when the costs and billing determinants of the expansion facilities are rolled-in, the maximum stated rates for Part 284 transportation services are projected to decrease. TransColorado, therefore, consistent with Commission precedent and its Policy Statement, requests a determination that rolled-in rate treatment is appropriate for the costs of these facilities.

TransColorado's project also meets the remaining criteria for certification of new facilities set forth in the Policy Statement. As set forth in the body of this application, the benefits of TransColorado's project outweigh any adverse impacts on relevant affected interests. Among other things, the described expansion facilities will be constructed on, or immediately adjacent to, TransColorado's existing right-of-way, and will have a minimal impact on nearby landowners, existing pipelines or the environment. The

project also will benefit all shippers on the pipeline through enhanced operational reliability and flexibility, and will provide producers in the Rocky Mountain region with much-needed transportation capacity for new gas production.

The proposed facilities have been designed, and will be constructed, in a manner that will minimize environmental impacts. TransColorado has worked closely with the Commission Staff, the U.S. Forest Service ("FS") and the Bureau of Land Management ("BLM"), among others, to address environmental issues and is preparing a draft Environmental Assessment that will be submitted to Commission Staff under separate cover. The Environmental Report, submitted as Exhibit F-I to this application, demonstrates that TransColorado has addressed, and taken measures to minimize, any adverse environmental impacts from the project.

Starting from the early planning stages of the project, TransColorado has been working with affected landowners and local citizen groups to solicit their input. TransColorado, therefore, has consulted with the major stakeholders regarding this project and will continue do so through the certification, construction and post-construction phases of the project.

Accordingly, TransColorado submits that the proposed facilities set forth in the instant application are required by the public convenience and necessity and should be approved within the timetable proposed.

II.

COMMUNICATIONS

The names, titles, mailing addresses, telephone and facsimile numbers of those persons to whom correspondence and communications concerning this application should be directed are as follows:

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III.

IDENTITY OF APPLICANT

The exact legal name of Applicant is TransColorado Gas Transmission Company. Applicant's principal place of business is at 370 Van Gordon Street, Lakewood, Colorado. TransColorado is a general partnership consisting of two equal equity partners organized and existing under the laws of the State of Colorado. The partners are K N TransColorado, Inc. and Kinder Morgan TransColorado, Inc. Both partners are owned and controlled by Kinder Morgan, Inc. TransColorado is duly authorized to do business in the States of Colorado and New Mexico.

TransColorado is a “natural-gas company” as defined by Section 2(6) of the NGA and is subject to the jurisdiction of the Commission. TransColorado’s existing operations consist of providing interstate natural gas transportation services within the States of Colorado and New Mexico.

On June 3, 1994, the Commission issued an optional certificate authorizing TransColorado to construct and operate a major new pipeline system in western Colorado and northern New Mexico.⁸ On September 30, 1996, the Commission amended the certificate to authorize TransColorado to construct the pipeline in two phases, the Phase I facilities and Phase II facilities.⁹ As set forth in those applications, and the orders certifying TransColorado’s facilities, the purpose and nature of TransColorado’s facilities has been to provide an outlet for, and generally provide transportation service to, producers in the region.

TransColorado’s system interconnects with several interstate and intrastate pipelines, gatherers and producers in Colorado and New Mexico and delivers supplies of natural gas produced from the Piceance, Paradox and San Juan Production Basins. The pipeline system extends from the Greasewood Receipt Point located in Rio Blanco County, Colorado, southward to a point of interconnection with various pipelines at the Blanco Hub located in San Juan County, New Mexico.

⁸ 67 FERC ¶ 61,301 (1994). At that time, TransColorado Gas Transmission Company was a 50-50 general partnership of Questar Pipeline Company and KN TransColorado, Inc. (an affiliate of KN Energy, Inc. now merged with Kinder Morgan, Inc.). Effective October 1, 2002, Kinder Morgan, Inc. acquired Questar’s interest and became the owner of 100 percent of the TransColorado pipeline system.

⁹ 76 FERC ¶ 61,366 (1996). The Phase I facilities, which were placed in service on December 15, 1996, consist of the southern-most 22.5 miles of the pipeline and a 2.5-mile connecting line. The Phase II facilities, which were placed in service on March 31, 1999, consist of 275.2 miles of pipeline, including the 5.3 mile extension to the Greasewood Receipt Point, and the Dolores and Olathe Compressor Stations.

TransColorado transports gas through its jurisdictional interstate pipeline on an open access, non-discriminatory basis to the various delivery points along its system pursuant to jurisdictional transportation rate schedules and general terms and conditions authorized in First Revised Volume No. 1 of its FERC Gas Tariff.

IV.

FACILITIES

TransColorado requests NGA Section 7(c) authorization to construct, modify and operate the following facilities:

- A. **Whitewater Compressor Station** – Install one new 4,735 horsepower compressor unit (site rated at 4,233 horsepower) at the proposed new compressor station site to be located on federal land administered by the BLM in Section 8, Township 2 South, Range 2 East, Mesa County, Colorado.
- B. **Olathe Compressor Station** – Re-wheel the existing 3,873 horsepower site-rated compressor unit located in Section 2, Township 49 North, Range 11 West, Montrose County, Colorado. The re-wheeling of this compressor unit will increase efficiency of the unit within its existing design parameters and will not result in a change in horsepower rating.
- C. **Redvale Compressor Station** – Install one new 4,735 horsepower compressor unit (site rated at 3,961 horsepower) at the proposed new compressor station site and reconnect the existing RMNGC receipt point (Naturita Creek Meter Station No. 39626) by constructing approximately 692 feet of 10-inch pipeline to the discharge side of the proposed Redvale Compressor Station, all to be located on privately owned land in Section 7, Township 45 North, Range 14 West, Montrose County, Colorado.
- D. **Dolores Compressor Station Addition** – Install one new 3,550 horsepower compressor unit (site rated at 2,900 horsepower) within the existing boundaries of the Dolores Compressor Station located in Section 9, Township 39 North, Range 14 West, Dolores County, Colorado.
- E. **Mancos Compressor Station** – Install two new 3,550 horsepower compressor units (each site rated at 2,897 horsepower) at the proposed new compressor station site to be located on federal land administered jointly by the BLM and FS in Section 29, Township 36 North, Range 12 West, Montezuma County, Colorado.

In addition to the facilities described above for which certificate authorization is requested, TransColorado will construct, modify and operate, under the authority of Section 2.55(a) of the Commission's Regulations, the following ancillary facilities:

- A. **Power Generators** – For electric power generation, install two generators at each of the three proposed compressor station sites, Whitewater, Redvale and Mancos. A ready source of power is not available at the new compressor station sites. The installation of these generators eliminates the need to build power lines from the existing transmission grid to the compressor station sites and therefore avoids the environmental impacts that would result from the construction of such power lines. In addition, the generators will be installed inside the fenced compressor site and will have minimal impact on landowners.
- B. **Filter Separator** – Install additional natural gas filtering facilities at the existing Olathe Compressor Station located in Section 2, Township 49 North, Range 11 West, Montrose County, Colorado. These facilities will enhance the removal of liquids and impurities and thereby increase the quality of the gas stream.
- C. **Station Supervisory Control Systems** – Install station supervisory control systems at the Whitewater, Redvale and Mancos Compressor Stations and upgrade the computer-based supervisory control systems at the existing Dolores and Olathe Compressor Stations. The computer equipment is necessary for communication with, and remote control of, the compressor stations and gas control.
- D. **Motor Control Center** – Install motor control center buildings with a small office for personnel at the Whitewater, Redvale and Mancos Compressor Stations.

The total estimated construction cost for the Section 7(c) facilities is \$28,576,666, including overhead and contingency. An additional \$3,922,206 is anticipated to be spent on the Section 2.55(a) installations that are also part of this proposed expansion. The details of these cost estimates are submitted as a part of Exhibit K.

V.

MARKET

TransColorado conducted an open season for its mainline expansion from January 21, 2003 through April 30, 2003.¹⁰ The open season offered parties the ability to request up to 600,000 Dth/d of new expansion capacity. Although TransColorado did not receive any conforming bids in its open season, through subsequent negotiations it was able to reach an agreement with one shipper for the addition of 125,000 Dth/d of capacity. The open season and subsequent negotiations, therefore, resulted in the execution of a precedent agreement between TransColorado and the shipper for 100% of the proposed expansion capacity.

Exhibit I contains a copy of the executed precedent agreement, which includes as an appendix thereto the standard form of service agreement which will be signed by the shipper prior to the commencement of service on the new facilities. Conditioned on the satisfaction of certain conditions precedent, including receipt of the necessary regulatory approvals, the precedent agreement provides for TransColorado and the shipper to enter into a Firm Transportation Service Agreement with a primary term of 10 years from the commencement of full transportation service.¹¹

¹⁰ The open season, which initially was proposed to run from January 21, 2003 through March 14, 2003, was extended, by notice issued and posted on March 7, 2003, through April 30, 2003. Bidders were offered a recourse rate applicable to the expansion.

¹¹ Concurrently herewith, TransColorado is filing a letter requesting, pursuant to Section 388.112 of the Commission's Rules of Practice and Procedure, confidential treatment of the precedent agreement attached as Exhibit I.

VI.

COST OF SERVICE, REVENUES AND RATES

For this expansion project, TransColorado has entered into a 10-year agreement for 125,000 Dth/d with a producer in the Piceance Basin.¹² TransColorado's Exhibit Z-1 shows that the three-year average revenues associated with the expansion project are projected to be \$15,512,509, while the three-year average total costs associated with the expansion project are projected to be \$10,282,991. Thus, the expansion project results in a three-year average total net revenue benefit of approximately \$5,229,518, based on billing determinants of 125,000 Dth/d. This total net revenue benefit includes the impact of the imputed cost of additional fuel which does not cause the projected costs of the expansion to exceed the revenues to be derived therefrom.¹³

TransColorado proposes that its currently effective Part 284 transportation rates shall apply as the applicable, generally available stated tariff rates for service to be provided as a result of the expansion and that fuel use and lost-and-unaccounted-for gas incurred under the expanded system be tracked in accordance with its existing tariff provisions. Fuel percentages are expected to remain within the ranges experienced and tracked by TransColorado. The use of currently effective Part 284 transportation rates and the tracking of fuel under current tariff provisions are appropriate where the new compression facilities will be integrated into TransColorado's existing system operations

¹² In accordance with the Alternative Rate Policy Statement, 74 FERC ¶ 61,076 (1996), and the Commission's recent Modification of Negotiated Rate Policy, 104 FERC ¶ 61,134 (2003), TransColorado will file with the Commission the necessary tariff sheets or contract reflecting the negotiated rate, volume, rate schedule, applicable receipt and delivery points and other documentation as may be required by the applicable Commission precedent not less than thirty days, nor more than 60 days, prior to the proposed effective date thereof.

¹³ See Northern Border Pipeline Co., 80 FERC ¶ 61,152 (1997) (where the Commission interpreted the Policy Statement to include the cost of fuel in the rolled-in rate analysis).

and will provide increased reliability and flexibility to all shippers on TransColorado's pipeline facilities.

TransColorado requests a determination that rolled-in rate treatment is appropriate for the costs of the facilities proposed to be constructed in this application. As shown by Exhibits N and Z-1, the overall rates of existing shippers are anticipated to decrease when the costs of the expansion are rolled-in. TransColorado's project will provide substantial system-wide benefits to all shippers as a result of increased operational reliability and flexibility. Under these circumstances, TransColorado submits that rolled-in rate treatment for the expansion costs is consistent with Commission precedent and the Policy Statement where, as here, the proposed construction will benefit current shippers and not cause them to subsidize the proposed expansion facilities.¹⁴

VII.

PUBLIC CONVENIENCE AND NECESSITY AND COMPLIANCE WITH POLICY STATEMENT

TransColorado submits that this proposal serves the public convenience and necessity by responding to expressed market demand for 125,000 Dth/d of firm transportation capacity. TransColorado's project provides both needed take-away capacity for increasing Rocky Mountain gas production and enhanced access to gas consumers to this prolific gas-producing region.

On September 15, 1999, the Commission issued a Policy Statement to provide guidance regarding the evaluation of applications to certificate new construction. The Policy Statement established criteria for determining whether there is a need for a proposed project and whether the proposed project will serve the public interest. In

¹⁴ Williston Basin Interstate Pipeline Co., 103 FERC ¶ 61,269 (2003).

deciding whether to authorize the construction of major new pipeline facilities, the Commission, under the Policy Statement, will balance the public benefits against the potential adverse consequences. Pursuant to this balancing process, the Commission has stated that its goal is to give appropriate consideration to the enhancement of competitive transportation alternatives, the possibility of overbuilding, subsidization by existing customers, the applicant's responsibility for unsubscribed capacity, the avoidance of unnecessary disruptions of the environment, and the unneeded exercise of eminent domain in evaluating new pipeline construction.¹⁵

Pursuant to the Policy Statement, the threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. Once the no-subsidization requirement has been demonstrated, the next inquiry under the Commission's Policy Statement is to determine whether the applicant has made efforts to eliminate or minimize any adverse effect the project might have on (1) the applicant's existing customers, (2) existing pipelines in the market and their captive customers, or (3) landowners and communities affected by the route of the new pipeline. If residual adverse effects on these interest groups are identified after efforts have been made to minimize them, the Commission will evaluate the project by balancing the evidence of public benefits to be achieved against the residual adverse effects. The Commission has stated that this is essentially an economic test.¹⁶ Only when the benefits outweigh the adverse effects on economic interests will the Commission proceed to complete the environmental analysis where other interests are considered.

¹⁵ See Dominion Transmission, Inc., 104 FERC ¶ 61,267 (2003).

¹⁶ See id. at P17.

1. No Subsidization by Existing Shippers

Under the Policy Statement, the threshold requirement for certification of major new facilities is a finding that the applicant will financially support the project without relying on subsidization from its existing customers.¹⁷ TransColorado's project does not need, and will not rely upon, subsidization from existing customers. All of the capacity attributable to the proposed expansion is fully subscribed. Moreover, as shown in TransColorado's Exhibit Z-1, the projected revenues exceed the projected costs associated with the project. Furthermore, as discussed more fully below, the benefits to existing shippers of the proposed expansion outweigh any potential adverse impacts.

2. Effect of the Expansion Project on Other Constituent Groups

i. Existing Shippers

TransColorado's proposed project will not adversely affect existing shippers nor will existing shippers economically subsidize the expansion project. In addition, the quality of service to existing shippers will be improved. Among other things, as a result of TransColorado's expansion project, existing shippers will gain additional transportation flexibility, including increased reliability and beneficial system redundancy on TransColorado's facilities.

ii. Private Landowners

Approval of TransColorado's proposed facilities should have minimal impact on affected landowners since the proposed facilities will be constructed on, or adjacent to, existing right-of-way. TransColorado, therefore, has minimized the number of new easements that will be required for its project and has sought to utilize, to the maximum extent possible, previously disturbed land. For instance, the upgrades to the compressor

¹⁷ Williston Basin Interstate Pipeline Co., 103 FERC ¶ 61,269 at P21 (2003).

stations at Olathe and Dolores will be performed entirely within existing property boundaries.

3. Other Pipelines in the Market

TransColorado is a “supply pipeline” located in the Rocky Mountain producing region that primarily serves the producer community and gas marketers. As such, it is strategically positioned to transport the new natural gas reserves that are being developed in the region. At its northern terminus, the Greasewood Receipt Point, TransColorado interconnects with several pipeline systems, including Canyon, Questar, Williams and CIG. At its southern terminus, the Blanco Hub, TransColorado interconnects with several interstate pipelines, including El Paso and Transwestern, which transport gas to, among other areas, the California market. The proposed new facilities will result in more capacity options on TransColorado and additional pipeline stability. This, in turn, will enhance the ability of interconnecting pipelines and their customers to transport natural gas to and from various regions of the country. Accordingly, existing pipelines in the market and their customers will not suffer adverse consequences from TransColorado’s project.

4. Benefits

TransColorado’s project directly addresses the shortfall in take-away capacity in the Rocky Mountain region. Approximately 17% of total aggregate domestic gas reserves are located in the States of Wyoming and Colorado.¹⁸ As the Commission has noted, however, “[p]ipeline capacity from the Rockies has not kept pace with productive

¹⁸ See, e.g., transcript of FERC meeting, June 4, 2003, p. 13 (Ace Federal Reporters). (Comment of Raymond James, Office of Energy Projects), also reported in *Foster Natural Gas Report*, June 5, 2003, p. 5.

capacity.”¹⁹ Consistent with this analysis, a report by the Energy Information Administration (“EIA”) stated that:

[i]n the Rocky Mountain Area wellhead capacity is growing at a faster rate than the [pipeline] infrastructure. Therefore, the effective [production] capacity growth is assumed to be one-third of the wellhead capacity growth rate resulting in a surplus or unutilized [production] capacity of 1.4 Bcf/d rather than 2.7 Bcf/d in 2003.²⁰

Further, the Commission has noted that Rocky Mountain production could increase to 11 Bcf/d by the year 2010. Since the projected take-away capacity currently is just 8.5 Bcf/d, there is a potential take-away capacity shortfall of 2.5 Bcf/d.²¹

The evidence is consistent with this analysis. Approximately 30 production rigs currently operating in the western Colorado producing region are unable to run at full capability due to inadequate pipeline take-away capacity. The facilities proposed by TransColorado will increase through-haul capacity by approximately 40%, allowing it to address the shortfall in take-away transportation capacity in the region. Specifically, this increase in capacity will provide an immediate benefit to the subscriber of TransColorado’s expansion. This shipper is increasing its production of natural gas reserves in the Piceance Basin and seeks transportation capacity to bring this gas to market. Additionally, producers in the Paradox Basin along the central and southern

¹⁹ Office of Market Oversight and Investigation, “2003 Natural Gas Market Assessment” p. 22. *See, also*, Energy Information Administration, “Expansion and Change on the U.S. Natural Gas Pipeline Network – 2002” p. 8 (May 2003) (discussion of lack of adequate takeaway capacity in the Rocky Mountain Area).

²⁰ EIA, “Natural Gas Productive Capacity for the Lower-48 States 1985-2003” p. 36 (2003).

²¹ *See Foster Natural Gas Report*, June 5, 2003, p. 5 (describing projected capacity shortfall in the Rocky Mountains discussed at the June 4, 2003, Commission meeting).

portion of TransColorado's pipeline will have the opportunity to utilize the additional transportation capabilities to bring new supplies of gas from that producing region to market via TransColorado's pipeline system.

The ability of producers to bring additional gas supplies to markets in the United States inures to the benefit of consumers. In particular, consumers in the California market may benefit, since, as noted previously, TransColorado interconnects with two major interstate gas pipelines that serve the California market, El Paso and Transwestern. The increased transportation capacity created by TransColorado, therefore, will allow new supplies of gas to flow to California and other U.S. markets and will provide increased price competition and supply stability in the face of growing demand for natural gas.

Besides benefiting the natural gas market as a whole, the proposed expansion of TransColorado's facilities will benefit existing shippers on the pipeline. Specifically, the proposed construction will increase system reliability. Currently, when either the Olathe or Dolores Compressor Stations is out of service, throughput may be significantly reduced. Specifically, when Olathe's single compressor unit has been out of service for maintenance, TransColorado, in some instances, has reduced its capacity to 100,000 Dth/d. Likewise, when one of the two units at the Dolores Compressor Station has been removed from service for maintenance, TransColorado, in some instances, has reduced its capacity to transport to 190,000 Dth/d. These reductions have historically occurred approximately 10 to 12 times a year. With the addition of the proposed new facilities, the impact of maintenance and unscheduled outages on TransColorado's available capacity will be mitigated due to the availability of additional compressor units. Hence, the new facilities will create a beneficial redundancy on TransColorado's pipeline that will allow

the pipeline to run more reliably. Shippers, therefore, can rely on a more consistent flow capability on TransColorado throughout the year.

Finally, with the new facilities in place, existing and new shippers will gain greater flexibility and can better utilize operationally available capacity on TransColorado. First, to the extent any of the 125,000 Dth/d of capacity is not being used by the new shipper, it can be utilized by existing shippers for overrun volumes, or for interruptible transportation. Second, TransColorado's capability to flow higher gas volumes during winter months will be enhanced because it can achieve greater compressor efficiencies at the cooler ambient temperatures.

In conclusion, the foregoing benefits demonstrate that the proposed expansion project will not cause significant detriments to other existing pipelines in the region and their customers, nor to TransColorado's existing shippers. In fact, the opposite is true. Existing and expansion shippers will benefit from the proposed construction, as will shippers on interconnecting pipelines.

Accordingly, the public benefits that would be achieved by this project more than outweigh any potential adverse impact that would result from the construction. Clear market support for this project has been demonstrated by shipper commitment for 100% of the additional capacity to be made available by the expansion facilities. The construction project, therefore, is fully consistent with the Commission's Policy Statement on pipeline construction. Thus, consistent with Commission policy and precedent, the Commission should find that the construction and operation of the expansion facilities, as proposed herein, are required by the public convenience and necessity.

VIII.

ENVIRONMENTAL COMPLIANCE

The proposed expansion facilities are designed and will be constructed in a manner that will minimize environmental impacts. An Environmental Report submitted herewith as Exhibit F-I provides an analysis of the existing environmental conditions and the impact of the proposed facilities on the environment. The expansion facilities will be located on TransColorado's existing pipeline right-of-way or immediately adjacent to the existing pipeline right-of-way. In its initial planning of the expansion project, TransColorado reviewed numerous sites for location of the new compressor facilities. The sites that were selected by TransColorado were those that would minimize aesthetic and environmental impacts. The alternative sites that TransColorado considered and rejected as being less preferable are discussed in the Environmental Report contained in Exhibit F-I.

The Environmental Report submitted herewith tiers off the Final Environmental Impact Statement ("FEIS") initially issued for the TransColorado interstate pipeline system. That original FEIS was performed with the BLM as the lead federal agency, the FS, the United States Fish and Wildlife Service ("FWS"), the United States Army Corps of Engineers, the National Park Service, and the Commission as cooperating agencies. Following publication of a Draft Environmental Impact Statement on August 23, 1991, and a series of public hearings to address issues and potential route variations, the BLM on July 17, 1992, published a Notice of Availability of the TransColorado Gas Transmission Project, Final Environmental Impact Statement in the Federal Register.²² The FEIS identified an agency-preferred route, which TransColorado adopted as its

²² 57 Fed. Reg. 31,732.

proposed route. Subsequently, on June 3, 1994, the Commission issued an optional certificate authorizing the construction and operation of the TransColorado interstate pipeline system.²³ With respect to the FEIS, the Commission's order stated that it agreed with the findings in the FEIS and concluded that the pipeline project could be constructed and operated in an environmentally acceptable manner. The Environmental Report submitted herewith supports, among other things, the additional land and authorizations required for the new compressor station sites for this proposed expansion project.

TransColorado has been, and continues to be, engaged in extensive consultations and coordination with the affected Federal, state and local government agencies concerning the proposed construction activities associated with this proposed project. In addition to coordination with Commission Staff, TransColorado has met on several occasions with the BLM and FS offices that administer the federal lands on which some of the proposed expansion facilities will be constructed and operated to explain the project and discuss any federal concerns. On September 16, 2003, TransColorado filed with BLM a Form 299 application to amend its existing federal right-of-way grant. In addition, TransColorado has met with local and county officials in four counties to explain the proposed project, discuss local and county requirements and provide an opportunity for any early concerns to be raised and resolved. TransColorado has also been in contact with FWS, the Colorado Division of Wildlife and the Colorado State Historic Preservation Officer to obtain their concurrences.

Construction of the expansion facilities will have a minimal effect on existing landowners and communities. TransColorado is committed to working with landowners in an effort to meet their concerns to the extent feasible. In that vein, TransColorado already has made several modifications to its project to accommodate landowner

²³ 67 FERC ¶ 61,301 (1994).

concerns. For instance, at the Mancos site, TransColorado has relocated the site of its proposed new compressor station from the east to the west side of the pipeline in order to preserve a drainage way that carries snowmelt and runoff across U.S. Forest Service land into two ponds that are owned by a landowner. The facility site also was strategically placed to preserve a 30-foot buffer strip of gamble oak trees to provide additional visual screening. Additionally, TransColorado has agreed to make modifications to all its new compressor stations to further minimize air, noise and sight disturbance, including committing to minimize night time light at the facilities and to install heavy grade mufflers, low speed cooler fans with noise-suppressing fan tip design, and extra thick noise insulation in the walls. Finally, in response to landowner concerns about the speed of vehicles at the Mancos site, TransColorado has discussed with FS whether speed limit signs could be placed on the road, and, notwithstanding the outcome of those discussions, has agreed to impose a 15 mph speed limit for its employees and contractors.

As set forth in the Environmental Report that accompanies this application, TransColorado has complied, and will continue to comply, with the Commission's landowner requirements at 18 C.F.R. § 157.6(d) (2003). A list of affected landowners is included with the Environmental Report. TransColorado has already contacted all affected landowners either by mail, phone and/or direct contact concerning the expansion project. TransColorado has gone beyond the regulatory requirements by contacting all landowners located within one mile of the proposed expansion facilities.²⁴

²⁴ The Commission's regulations require that notice shall be sent to all owners of property interests, as noted in the most recent county/city tax records as receiving the tax notice, whose property contains a residence within one-half mile of proposed compressors or their enclosures. 18 C.F.R. §157.6 (d)(2)(iii) (2003).

In addition, to help explain the project, answer questions and identify potential issues related to this expansion project, TransColorado held open house meetings to discuss the project in an open forum on the dates and at the locations reflected below:

<u>Date</u>	<u>Location</u>
October 3, 2003	Whitewater, CO
October 7, 2003	Redvale, CO
October 9, 2003	Cortez, CO

Notices of the open houses were mailed and/or hand delivered to all landowners within one mile of the proposed facilities. Most questions and discussion from landowners concerned noise, visibility, traffic, air pollution and property values. No other major issues have been raised to TransColorado by affected landowners concerning the project. In addition, interested parties have access to information about the project at: http://www.kindermorgan.com/business/gas_pipelines/transcolorado/.

Within three business days following the Commission's issuance of a notice of the application, TransColorado will mail the required formal notification letter in conformance with 18 C.F.R. § 157.6(d)(3) (2003) to each landowner within one mile radius of each compressor site and to all towns, communities, and local, state and federal governments and agencies involved in the project.²⁵ Further, within three business days after the Commission assigns a docket number for the application, a copy of the application will be made available for inspection in centrally located public libraries in each of the counties where construction will occur. Within 14 days after the assignment of a docket number, a notice that the application has been filed will be published twice in newspapers of general circulation in the affected counties.

²⁵ Within 30 days after the application filing date, TransColorado will file an updated list of affected landowners, including information concerning any notices that were returned as undeliverable.

IX.

WAIVER

Pursuant to Rules 801 and 802 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.801 and 385.802 (2003), TransColorado requests that the Commission's shortened procedures be applied to this application. Accordingly, TransColorado requests that the intermediate decision procedure be omitted and waives oral hearing and opportunity for filing exceptions to the decision of the Commission. As set forth under these procedures, the decision of the Commission will be final, subject to reconsideration by the Commission upon request for rehearing as provided by statute.

X.

EXHIBITS

In accordance with Section 157.14 of the Commission's Regulations, the following exhibits are attached or omitted for the reason indicated.

Exhibit A – Articles of Incorporation and Bylaws

Attached hereto as part of this Volume I-A.

Exhibit B – State Authorization

Attached hereto as part of this Volume I-A.

Exhibit C – Company Officials

Attached hereto as part of this Volume I-A.

Exhibit D – Subsidiaries and Affiliation

Attached hereto as part of this Volume I-A.

Exhibit E – Other Pending Applications and Filings

There are no applications or filings made by TransColorado with and now pending before this Commission that directly and significantly affects this application. This exhibit is therefore omitted.

Exhibit F – Location of Facilities

Attached as part of Volume II.

Exhibit F-I – Environmental Report

Attached as Volume I-B and parts of Volumes II, III and IV.

Exhibit G/G-I – Flow Diagrams

Attached as part of Volume III.

Exhibit G-II – Flow Diagram Data

Attached as part of Volume III.

Exhibit H – Total Gas Supply Data

Attached hereto as part of this Volume I-A.

Exhibit I – Market Data

Attached as part of Volume IV.

Exhibit K – Cost of Facilities

Attached hereto as part of this Volume I-A.

Exhibit L – Financing

Omitted. The cost of the proposed expansion facilities will be financed through short-term loans and funds on hand.

Exhibit M – Construction, Operation and Management

Omitted. TransColorado intends to engage independent contractors, on the basis of competitive bids, to construct the proposed facilities. Otherwise, there are no service, management, or other contracts existing or contemplated in connection with the operation of such facilities.

Exhibit N – Revenues-Expenses-Income

Attached hereto as part of this Volume I-A.

Exhibit O – Depreciation and Depletion

Attached hereto as part of this Volume I-A.

Exhibit P – Tariff

Omitted. Not less than 30 days and not more than 60 days prior to the commencement of service of the facilities proposed herein, TransColorado will file with the Commission in accordance with the Alternative Rate Policy Statement (74 FERC ¶ 61,076 (1996)), a tariff sheet reflecting the negotiated rate, volume, rate schedule, and applicable receipt and delivery points. In addition, TransColorado will file a statement affirming that the Firm Transportation Service Agreement related to the proposed expansion capacity does not deviate in any material aspect from the form of service agreement in TransColorado's FERC Gas Tariff.

Exhibit Z-1 – Additional Exhibit

Attached hereto as part of this Volume I-A.

XI.

FEDERAL REGISTER NOTICE

Appended hereto is a notice, prepared in conformity with Sections 2.1 and 157.6(b)(7) of the Commission's Regulations, 18 C.F.R. §§ 2.1 and 157.6(b)(7) (2003), suitable for publication in the Federal Register.

XII.


AUTHORIZATION REQUESTED

WHEREFORE, TransColorado Gas Transmission Company, the Applicant herein, respectfully requests the Commission to issue a certificate of public convenience and necessity authorizing the construction, modification and operation of additional

compression, minor piping and ancillary facilities to effectuate the firm transportation of an additional 125,000 Dth/d day, all as more fully set forth herein.

Respectfully submitted,

TRANSCOLORADO GAS TRANSMISSION
COMPANY

By 
Bentley W. Breland
Vice President, Certificates and Rates

B. J. Becker
Assistant General Counsel
TransColorado Gas Transmission Company
370 Van Gordon Street
Lakewood, CO 80228-8304
(303) 763-3496

J. Curtis Moffatt
Pamela J. Anderson
Shippen Howe
Van Ness Feldman, P.C.
1050 Thomas Jefferson Street, NW
Washington, D.C. 20007-3877
(202) 298-1800

Dated: October 30, 2003

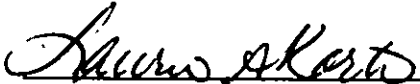
VERIFICATION

STATE OF COLORADO)
) SS
COUNTY OF JEFFERSON)

Bentley W. Breland, being duly sworn upon his oath says: that he is Vice President of Certificates and Rates for TransColorado Gas Transmission Company; that he has read the foregoing application and has personal knowledge of the matters herein set forth; that the facts herein stated are true to the best of his knowledge, information, and belief; and that the paper copy of the foregoing filing contains the same information on the electronic version.


Bentley W. Breland

SUBSCRIBED AND SWORN to before me this 30th day of October, 2003.


Notary Public
370 Van Gordon Street
Lakewood, CO 80228

(SEAL)

My commission expires:

2/28/2004

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

TransColorado Gas Transmission Company)

Docket No. _____

NOTICE OF APPLICATION

(November __, 2003)

Take notice that on October 31, 2003, TransColorado Gas Transmission Company ("TransColorado"), whose mailing address is P.O. Box 281304, Lakewood, Colorado 80228-8304, filed an application at Docket No. _____ pursuant to Section 7(c) of the Natural Gas Act ("NGA"), and Part 157 of the Commission's Regulations, requesting a certificate of public convenience and necessity authorizing the construction, modification and operation of compression, minor piping and ancillary facilities necessary to transport an additional 125,000 Dth per day. The application is on file with the Commission and open to public inspection. This filing is available for review at the Commission or may be viewed on the Commission's web site at <http://www.ferc.gov> using the "eLibrary" link under the tab "Documents & Filing." Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll free at (866) 208-3676, or for TTY, contact (202) 502-8659.

TransColorado requests authorization to construct, modify and operate the following facilities: (1) one 4,735 horsepower compressor unit at the proposed new Whitewater Compressor Station located in Mesa County, Colorado; (2) re-wheel the existing compressor unit at the Olathe Compressor Station located in Montrose County, Colorado; (3) one 4,735 horsepower compressor unit at the proposed new Redvale Compressor Station and approximately 692 feet of 10-inch pipeline to reconnect the existing Rocky Mountain Natural Gas Company Receipt Point to the discharge side of the proposed Redvale Compressor Station all located in Montrose County, Colorado; (4) add one 3,550 horsepower compressor unit at the existing Dolores Compressor Station located in Dolores County, Colorado; (5) add two 3,550 compressor units at the proposed new Mancos Compressor Station located in Montezuma County, Colorado; and (6) construct certain ancillary facilities under the authority of Section 2.55(a) of the Commission's regulations. These facilities will be installed entirely within, or immediately adjacent to, TransColorado's existing pipeline rights-of-way in the State of Colorado. The total estimated cost for the proposed Section 7(c) certificated facilities is \$28,576,666. An additional \$3,922,206 will be spent on Section 2.55(a) installations that are also part of this proposed expansion.

Any questions regarding this application should be directed to Skip George, Manager of Certificates, TransColorado Gas Transmission Company, P.O. Box 281304, Lakewood, Colorado 80228-8304, phone (303) 914-4969.

There are two ways to become involved in the Commission's review of this project. First, any person wishing to obtain legal status by becoming a party to the proceedings for this project should file with the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, D.C. 20426, a motion to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214 or 385.211) and the Regulations under the NGA (18 CFR 157.10). A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies of all documents filed by the applicant and by all other parties. A party must submit 14 copies of filings made with the Commission and must mail a copy to the applicant and to every other party in the proceeding. Only parties to the proceeding can ask for court review of Commission orders in the proceeding.

However, a person does not have to intervene in order to have comments considered. The second way to participate is by filing with the Secretary of the Commission, as soon as possible, an original and two copies of comments in support of or in opposition to this project. The Commission will consider these comments in determining the appropriate action to be taken, but the filing of a comment alone will not serve to make the filer a party to the proceeding. The Commission's rules require that persons filing comments in opposition to the project provide copies of their protests only to the party or parties directly involved in the protest.

Protests and interventions may be filed electronically via the Internet in lieu of paper; see, 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "e-Filing" link. The Commission strongly encourages electronic filings.

If the Commission decides to set the application for a formal hearing before an Administrative Law Judge, the Commission will issue another notice describing that process. At the end of the Commission's review process, a final Commission order approving or denying a certificate will be issued.

Comment Date: November __, 2003

Magalie R. Salas
Secretary

TransColorado Gas Transmission Company

Exhibit A

Articles of Incorporation and Bylaws

Articles of Incorporation and Bylaws
for
Kinder Morgan TransColorado, Inc.

140396

used on the 12-17 Day of Dec 96
 Date of last revision
1-13-96



Dr. H. A. A. A.

**ARTICLES OF INCORPORATION
OF
QUESTAR TRANSCOLORADO, INC.**

We, the undersigned, natural persons of the age of twenty-one years or more, acting as incorporators of a corporation under the Utah Business Corporation Act, adopt the following Articles of Incorporation for such corporation:

ARTICLE I
NAME

The name of this corporation is Questar TransColorado, Inc.

ARTICLE II

DURATION

The period of its duration is perpetual.

ARTICLE III
PURPOSES

The purposes for which the corporation is organized are as follows:

- (a) To produce, purchase, acquire, gather, store, compress, transport, deliver, and sell natural gas in its own name or through partnerships and joint ventures with other parties;
- (b) To conduct, carry on or engage in any businesses or enterprises incidental to or useful in connection with the purposes above specified;
- (c) To engage in and to do any lawful act concerning any lawful businesses for which corporations may be organized under the

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Inc.

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Utah Business Corporation Act, including but not limited to the entering into of any lawful arrangement for sharing profits, union of interests, reciprocal association or cooperative association with any corporation, association, partnership, individual or other legal entity for the carrying on of any business and to enter into any general or limited partnership for the carrying on of any business.

ARTICLE IV

STOCK

The aggregate number of shares, which the corporation shall be authorized to issue is 1,000,000 shares of the par value of \$1.00 per share. All stock of this corporation shall be of the same class, common, and shall have the same rights and preferences. Fully paid stock of this corporation shall not be liable to any call and is non-assessable.

ARTICLE V

PREEMPTIVE RIGHTS

A shareholder shall have no preemptive rights to acquire any securities of this corporation.

ARTICLE VI

INITIAL CAPITALIZATION

This corporation will not commence business until consideration of a value of at least \$1,000 has been received for the issuance of shares.

ARTICLE VII

INITIAL OFFICE AND AGENT

The address of this corporation's initial registered office and the name of its initial registered agent at such address is:

Connie C. Holbrook
180 East First South Street
P. O. Box 11150
Salt Lake City, Utah 84147

ARTICLE VIII

DIRECTORS

The number of directors constituting the initial Board of Directors of this corporation is three (3). The names and addresses of persons who are to serve as directors until the first annual meeting of stockholder or until their successors are elected and qualify, are:

<u>Name</u>	<u>Address</u>
R. D. Cash	180 East First South Street P. O. Box 11150 Salt Lake City, Utah 84147
Connie C. Holbrook	180 East First South Street P. O. Box 11150 Salt Lake City, Utah 84147
A. J. Marushack	79 South State Street P.O. Box 11450 Salt Lake City, Utah 84147

ARTICLE IX

INCORPORATORS

The name and address of each incorporator is:

<u>Name</u>	<u>Address</u>
R. D. Cash	180 East First South Street P. O. Box 11150 Salt Lake City, Utah 84147
Connie C. Holbrook	180 East First South Street P. O. Box 11150 Salt Lake City, Utah 84147
A. J. Marushack	79 South State Street P.O. Box 11450 Salt Lake City, Utah 84147

ARTICLE X

CUMULATIVE VOTING OF SHARES

There shall be no cumulative voting in the election of directors of the corporation.

ARTICLE XI

PURCHASE OF SHARES BY CORPORATION

The corporation may purchase its own shares to the extent of unreserved and unrestricted capital surplus available therefore in addition to any right to purchase its own shares provided by law.

Dated this 13th day of June, 1990.



R. D. Cash, Incorporator



Connie C. Holbrook, Incorporator



A. J. Marushack, Incorporator

State of Utah)
 : ss.
County of Salt Lake)

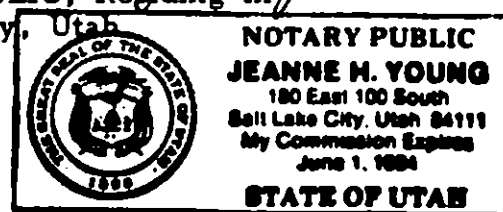
I, Jeanne H. Young, a Notary Public, hereby certify that on the 13th day of June, 1990, personally appeared before me R. D. Cash, Connie C. Holbrook, and A. J. Marushack who being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

Dated this 13th day of June, 1990.

Jeanne H. Young

NOTARY PUBLIC, Residing in
Salt Lake City, Utah

My Commission Expires: 6-1-94



I do hereby acknowledge my appointment as registered agent for Questar TransColorado, Inc.

Connie C. Holbrook

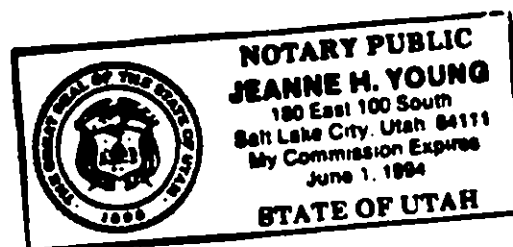
Connie C. Holbrook
Registered Agent

Sworn and subscribed before me this 13th day of June, 1990.

Jeanne H. Young

NOTARY PUBLIC, Residing in
Salt Lake City, Utah

My Commission Expires: 6-1-94



State of Utah
Department of Commerce
Division of Corporations and Commercial Code
I hereby certify that the foregoing has been filed
and approved on this 9th day of Jan 2003
In this office of this Division and hereby issue
this Certificate thereof.

Examiner J. Lee Date 1/16/03



Kathy Berg
Kathy Berg
Division Director

ARTICLES OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
QUESTAR TRANSCOLORADO, INC.

1077942-0142

EXPEDITE

To the Division of Corporations and Commercial Code
State of Utah

Pursuant to the provisions of Section 16-10a-1006 of the Utah Revised Business Corporation Act, Questar TransColorado, Inc. (the "Corporation") does hereby adopt the following Articles of Amendment.

1. The name of the corporation is Questar TransColorado, Inc.
2. Article I of the Articles of Incorporation of the Corporation is hereby amended to read as follows:

"Article I

Name

The name of this corporation is Kinder Morgan TransColorado, Inc."

3. The date of adoption of the amendment was January 9, 2003.
4. The designation, the number of outstanding shares, the number of shares entitled to be cast by the voting group entitled to vote on the said amendment, and the number of votes of the voting group indisputably represented at the meeting at which the said amendment was approved are as follows:

- (a) Designation of voting group: common stock
- (b) Number of outstanding shares of voting group: 50
- (c) Number of shares of voting group entitled to vote on the amendment: 50
- (d) Number of shares of voting group indisputably represented at the meeting: 50

5. The total number of votes cast for and against the said amendment by the voting group entitled to vote on the said amendment is as follows:

- (a) Designation of voting group: common stock
- (b) Number of votes of voting group cast for the amendment: 50
- (c) Number of votes of voting group cast against the amendment: 0

6. The said number of votes cast for the said amendment was sufficient for the approval thereof by the said voting group.

Receives: J507212.1

Utah Div. of Corp. & Comm. Code

JAN 09 2003

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Date: 01/09/2003
Receipt Number: 764268
Amount Paid: \$847.40

JAN 9 2003 11:31PM
JAN-09-2003 THU 10:01 AM Kinder Morgan

FAX NO. 7133695411

P. 03

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment of Articles of Incorporation of the Corporation be executed by an authorized officer this 9th day of January, 2003.

By: 

Joseph Listengart, Vice President and Secretary

BYLAWS
of
QUESTAR TRANSCOLORADO, INC.
A Utah Company

OFFICES

SECTION 1. The principal office shall be in the City of Salt Lake, County of Salt Lake, State of Utah.

The Company may also have offices at such other places as the Board of Directors may from time to time appoint or the business of the Company may require.

SEAL

SECTION 2. The corporate seal shall have inscribed thereon the name of the Company, and the words "Corporate Seal," and "Utah." Said seal may be used by causing it, or a facsimile thereof, to be impressed or affixed or reproduced, or otherwise.

SHAREHOLDERS' MEETINGS

SECTION 3. All meetings of the shareholders shall be held at the office of the Company in Salt Lake City, Utah, or at such other place as may be specified by resolution of the Board of Directors.

SECTION 4. The Annual Meeting of Shareholders shall be held on the third Tuesday in May of each year, and if such day is a legal holiday, then on the preceding secular business day, at 3:30 p.m.,

when they shall elect by majority vote a Board of Directors, and trans-act such other business as may properly be brought before the meeting.

SECTION 5. Special meetings of the shareholders may be called by the President, the Board of Directors, or holders of not less than one-tenth of all the shares entitled to vote at the meeting.

SECTION 6. Holders of a majority of the shares issued and outstanding entitled to vote, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the shareholders for the transaction of business, except as otherwise provided by law, by the Articles of Incorporation, or by these Bylaws. If, however, such majority shall not be present or represented at any meeting of the shareholders, the shareholders entitled to vote present in person or by proxy, shall have power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until such requisite amount of voting stock shall be present. At such adjourned meeting at which the requisite amount of voting stock shall be represented, any business may be transacted that might have been transacted at the meeting as originally notified.

SECTION 7. The Secretary shall, but in case of his failure any other officer of the Company may, give written or printed notice to the shareholders stating the place, day and hour of each shareholders' meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called. Such notice shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting.

SECTION 8. Notice may be given either personally or by mail, and if given by mail, such notice shall be deemed to be delivered when

deposited in the United States mail addressed to the shareholder at his address as it appears on the stock transfer books of the Company with postage prepaid thereon.

SECTION 9. At each meeting of the shareholders, every shareholder having the right to vote shall be entitled to vote in person or by proxy appointed by an instrument in writing, subscribed by such shareholder and bearing a date not more than forty (40) days prior to said meeting. Each shareholder shall have one vote for each share of stock registered in such shareholder's name on the books of the Company, except as is otherwise provided by Section 16-10-28 of the Utah Business Company Act. The vote for Directors and, upon the demand of any shareholder, the vote upon any question before any meeting of shareholders shall be by ballot.

SECTION 10. A complete list of shareholders entitled to vote at each meeting of shareholders, arranged in alphabetical order, with the address of each, and the number of shares held by each, shall be prepared by the Secretary and kept on file in the registered office of the Company for at least ten days before each meeting subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole of the meeting.

SECTION 11. Business transacted at all special meetings of the shareholders shall be confined to the objects stated in the call and notice.

SECTION 12. The officer presiding at any meeting of shareholders shall have the authority to make all procedural determinations with respect to matters before such meetings provided that such determinations shall not be inconsistent with applicable laws.

DIRECTORS

SECTION 13. The property and business of this Company shall be managed by its Board of Directors. The Board of Directors shall include at least three directors. The exact number shall be fixed by these Bylaws, and, until changed, the Board of Directors shall include three directors. A majority of the Board of Directors shall have the authority to conduct the business of the Company in conformity with the Articles of Incorporation and applicable law. Each director shall hold office until the next annual meeting of stockholders and until his successor shall be elected. One or more directors may be removed with or without cause by a vote of a majority of the shareholders at a meeting of shareholders called for that purpose.

SECTION 14. The Company shall keep its general books at its office in Salt Lake City, Utah, and at such other places as the Board of Directors may determine from time to time.

SECTION 15. In addition to the powers and authority by these Bylaws expressly conferred upon them, the Board may exercise all such powers of the Company and do all such lawful acts and things as are not by statute of the State of Utah, or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the shareholders.

COMMITTEE

SECTION 16. The Board of Directors, by resolution or resolutions passed by a majority of the whole Board, may designate one or more Committees, each Committee to consist of two or more of the Directors of the Company and shall have and may exercise the powers conferred upon them by the Board of Directors. All Committees when so appointed shall have such name or names as may be determined from time to time by resolutions adopted by the Board of Directors.

SECTION 17. The Committees shall keep regular minutes for their proceedings and report the same to the Board of Directors when required.

COMPENSATION OF DIRECTORS

SECTION 18. Directors, as such, shall not receive any salary for their services, but the Board of Directors, by resolution, may fix the fees to be allowed and paid to Directors, as such, for their services and provide for the payment of the expenses of the Directors incurred by them in performing their duties. Nothing herein contained, however, shall be considered to preclude any Director from serving the Company in any other capacity and receiving compensation therefore.

SECTION 19. Fees to members of special or standing committees and expenses incurred by them in the performance of their duties, as such, shall also be fixed and allowed by resolution of the Board of Directors.

MEETINGS OF THE BOARD

SECTION 20. The Board of Directors may meet at Salt Lake City, Utah, or at such other place as may be determined by a majority of the members of the Board.

SECTION 21. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.

SECTION 22. Special meetings of the Board may be called by the President on at least two days' notice to each Director, either personally or by mail, telegram or telephone; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

SECTION 23. At all meetings of the Board a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. Directors may participate in a Board meeting and can be counted in a quorum by means of conference telephone or similar communications equipment by which all Directors participating in the meeting can hear each other.

SECTION 24. Any action required to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

SECTION 25. The officers of the Company shall be chosen by the Board of Directors at its first meeting after each annual meeting and

shall include: a Chairman of the Board, a President and Chief Executive Officer, a Vice President, a Secretary and a Treasurer. The Board may also choose a Vice Chairman of the Board, and additional Vice Presidents, Assistant Secretaries and Assistant Treasurers. None of these officers except the Chairman of the Board, the Vice Chairman of the Board, and the President need be members of the Board.

SECTION 26. The Board may appoint such other officers and agents as it may deem necessary. Such officers and agents shall hold their office for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

SECTION 27. The salaries of all officers of the Company shall be fixed by the Board of Directors.

SECTION 28. The officers of the Company shall hold office until their successors are chosen and qualified in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors. If the office of any officer or officers becomes vacant for any reason, the vacancy shall be filled by the affirmative vote of a majority of the whole Board of Directors.

CHAIRMAN OF THE BOARD

SECTION 29. The Chairman of the Board shall preside at the meetings of the shareholders and Directors.

VICE CHAIRMAN OF THE BOARD

SECTION 30. The Vice Chairman of the Board shall preside at all meetings of the shareholders and Directors in the absence of the Chairman.

PRESIDENT

SECTION 31. The President shall be the Chief Executive Officer of the Company; shall preside at all meetings of the shareholders and Directors in the absence of the Chairman of the Board and the Vice Chairman of the Board (if there be one); shall have general and active management of the business of the Company; and shall see that all orders and resolutions of the Board are carried into effect. He shall have the general powers and duties of supervision and management usually vested in the office of President and Chief Executive Officer of a corporation. He shall perform such other functions and duties as shall be prescribed by the Board of Directors.

VICE PRESIDENT

SECTION 32. Each Vice President shall perform the duties prescribed by the President or the Board of Directors. If the President shall become unable for any reason to perform his duties, then the Vice President, or if there is more than one Vice President, the one designated as Senior Vice President shall succeed to the duties of the President until the President shall again become able to perform his duties.

SECRETARY AND ASSISTANT SECRETARIES

SECTION 33. (a) The Secretary shall attend the meetings of the Board and the meetings of the shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the Committees appointed by the Board when required; give or cause to be given notice of the meetings of the shareholders and of the Board of Directors; and perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision the Secretary shall keep in safe custody the seal of the Company and affix the same to any instrument requiring it.

(b) The Assistant Secretary, senior in time of service, in the absence or disability of the Secretary, shall perform the duties and exercise the powers of the Secretary and shall perform such other duties as shall be prescribed by the President or the Board of Directors.

TREASURER AND ASSISTANT TREASURERS

SECTION 34. The Treasurer and Assistant Treasurers shall perform such duties as shall be prescribed by the President or the Board.

VACANCIES

SECTION 35. If the office of any Director or Directors becomes vacant by reason of the death, resignation, disqualification, removal from office, or otherwise, the remaining Directors, not less than a quorum, shall choose a person or persons to fill the vacancy or vacancies who shall hold office until the successor or successors shall have been duly appointed or elected.

CERTIFICATES OF STOCK

SECTION 36. The certificates of stock of the Company shall be numbered and shall be entered in the books of the Company as they are issued.

FISCAL YEAR

SECTION 37. The fiscal year shall begin the first day of January in each year.

AMENDMENTS

SECTION 38. These Bylaws may be altered or amended by the affirmative vote of a majority of the stock issued and outstanding and entitled to vote at any special or regular meeting of the shareholders if notice of the proposed alteration or amendment be contained in the notice of the meeting or by the affirmative vote of a majority of the Board of Directors.

INDEMNIFICATION AND LIABILITY INSURANCE

SECTION 39. (a) The Company shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture,

trust or other enterprise, against expenses (including attorney's fees), judgment, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner that he reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Company shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person

shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Company unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that such court shall deem proper.

(c) To the extent that a director, officer, employee or agent of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraph (a) or (b) of this Section 39, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under paragraph (a) or (b) of this Section 39 (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraph (a) or (b) of this Section 39.⁷ Such determination shall be made by the Board of Directors by a majority vote of a quorum of the directors or by the shareholders.

(e) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in paragraph (d) of this Section 39 upon receipt of any undertaking by or on behalf of the director, officer, employee or agent

to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Company as authorized in this Section 39.

(f) The indemnification provided by this Section 39 shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) The Company shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Section 39.

AMENDMENT NO. 1
TO
BYLAWS
OF
QUESTAR TRANSCOLORADO, INC.
(the "Corporation")

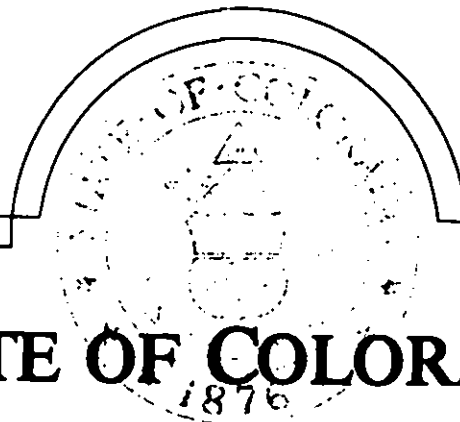
This amendment to the bylaws (the "Bylaws") of the Corporation was duly adopted by a written consent of the sole shareholder on December 3, 2002.

I.

The first three sentences of Section 13 of the Bylaws of the Corporation is deleted and replaced in its entirety to read as follows:

The number of directors that shall constitute the whole Board of Directors shall be determined from time to time by the Board of Directors (provided that no decrease in the number of directors which would have the effect of shortening the term of an incumbent director may be made by the Board of Directors). If the Board of Directors makes no such determination, the number of directors shall be two, unless there are more than two shareholders entitled to vote for the election of directors, in which case, the number of directors shall be three. As long as the Company has fewer than three shareholders entitled to vote for the election of directors, the Board of Directors may consist of a number of individuals equal to or greater than the number of those shareholders; otherwise, the Board of Directors must consist of a minimum of three individuals.

Articles of Incorporation and Bylaws
for
KN TransColorado, Inc.



STATE OF COLORADO

DEPARTMENT OF
STATE

CERTIFICATE

I, DONETTA DAVIDSON, SECRETARY OF STATE OF THE STATE OF
COLORADO HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF
THIS OFFICE, THE ATTACHED IS A FULL, TRUE AND COMPLETE
COPY OF THE ARTICLES OF INCORPORATION AND ALL AMENDMENTS
THERE TO OF

K N TRANSCOLORADO, INC.
(COLORADO CORPORATION)

AS FILED IN THIS OFFICE AND ADMITTED TO RECORD.

Dated: August 13, 2001

SECRETARY OF STATE

ARTICLES OF INCORPORATION
OF
ROCKY MOUNTAIN GAS TRANSMISSION COMPANY

901027777

The undersigned natural person, who is more than eighteen years of age, hereby establishes a corporation pursuant to the Colorado Corporation Code and adopts the following Articles of Incorporation:

FIRST. The name of this corporation is Rocky Mountain Gas Transmission Company.

SECOND. The address of this corporation's registered office in the State of Colorado is 12055 West Second Avenue, Lakewood, Colorado 80228. The name of its registered agent at such address is K N Energy, Inc.

THIRD. The purpose of this corporation is to engage in any lawful act or activity for which corporations may be organized under the Colorado Corporation Code, as amended.

FOURTH. The total number of shares of stock that this corporation shall have authority to issue is 10,000 shares of Common Stock of the par value of \$1.00 per share.

The number of authorized shares of this corporation may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of at least 50% of the total voting power of all shares of stock of the corporation entitled to vote in the election for directors generally, considered for purposes of this Article FOURTH as one class.

FIFTH. Any and all right, title, interest and claim in or to any dividends by this corporation, whether in cash, stock or otherwise, which are unclaimed by the stockholder entitled thereto for a period of four years after the close of business on the payment date, shall be and be deemed to be extinguished and abandoned, and such unclaimed dividends in the possession of this corporation, its transfer agent or other agents or depositaries, shall at such time become the absolute property of this corporation, free and clear of any and all claims of any persons whatsoever.

SIXTH. A. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of this corporation is expressly authorized to make, alter or repeal the bylaws of this corporation. Stockholders may alter, amend or repeal the bylaws by an affirmative vote of two-thirds of the total voting power of all shares of stock of the corporation entitled to vote in the election of directors generally, considered for the purposes of this Article SIXTH as one class.

B. (1) Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation

as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(2) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint

venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation. No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation, however, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

(3) To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections B(1) and (2) of this Article SIXTH, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(4) Any indemnification under subsections B(1) and (2) of this Article SIXTH shall be made by the corporation only as authorized in the specific case upon a determination

that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections B(1) and (2) of this Article SIXTH. Except as otherwise expressly required in such subsections (B)(1) and (2), such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders.

(5) Expenses incurred by any person who may have a right of indemnification hereunder in defending any civil or criminal action, suit or proceeding shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it is ultimately determined that he is not entitled to be indemnified hereunder.

(6) The right to indemnification and advancement of expenses provided by this Article SIXTH shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in

another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(7) The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was

another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(7) The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article SIXTH and regardless of whether he would have been entitled to indemnification by the corporation.

(8) For the purposes of Article SIXTH, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or

agent of another corporation, shall stand in the same position under the provisions of this Article SIXTH with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(9) For purposes of Article SIXTH, reference to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Article SIXTH.

(10) Notwithstanding the foregoing provisions of Article SIXTH, the corporation shall indemnify any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or

other enterprise to the fullest extent permitted by the Colorado Corporation Code or any other applicable law, as may from time to time be in effect.

(11) All rights to indemnification and advancement of expenses provided by this section B of Article SIXTH shall be deemed to be a contract between the corporation and each person entitled to indemnification and advancement of expenses hereunder. Any repeal or modification of this Article SIXTH or of relevant provisions of the Colorado Corporation Code or any other applicable law shall not diminish any rights to indemnification or advancement of expenses with respect to any state of facts then or theretofor existing or any action, suit or proceeding theretofor or thereafter brought or threatened based in whole or in part upon any such state of facts.

C. If a claim under section B of this Article SIXTH is not paid in full by the corporation within thirty days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has been tendered to the corporation) that the claimant has not met the standards of conduct which

make it permissible under the Colorado Corporation Code for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Colorado Corporation Code, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

D. A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for acts specified in Section 7-5-114 of the Colorado Corporation Code, or (iv) for any transaction from which the director derived an improper personal benefit.

SEVENTH: A. The number of directors which shall constitute the whole Board of Directors of this corporation shall not be less than three nor more than eleven with the actual number, if to be greater than three, to be fixed by resolution of a majority of the directors. Initially, the number of directors which shall constitute the whole Board of Directors of this corporation shall be three. The names and addresses of the initial directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Larry D. Hall	12055 West Second Place Lakewood, Colorado 80228
Arnold R. Madigan	12055 West Second Place Lakewood, Colorado 80228
Robert C. McHugh	12055 West Second Place Lakewood, Colorado 80228

Effective as of the annual meeting of stockholders occurring in 1991, the Board of Directors shall be divided into three classes, the first of which shall consist of one director and each remaining class consisting of one director. The initial term of office of the first class ("Class I") shall expire at the annual meeting of stockholders occurring in 1992, the initial term of office of the second class ("Class II") shall expire at the annual meeting of stockholders occurring in 1993, and the initial term of office of the third class ("Class III") shall expire at the annual meeting of stockholders occurring in 1994. At each annual meeting of stockholders following such initial classification and election, directors elected to succeed

those directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election. The foregoing notwithstanding, each director shall serve until his successor shall have been duly elected and qualified, unless he shall cease to serve by reason of death, resignation, removal or other cause. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, but in no case shall a decrease in the number of directors shorten the term of any incumbent director.

B. The business and affairs of the corporation shall be managed by or under the direction of the Board of Directors, and the Board of Directors shall determine the rights, powers, duties, rules and procedures that shall affect the power of the Board of Directors to manage and direct the business and affairs of the corporation.

C. Any director may be removed from office only for "Cause" (as hereinafter defined), and only by the affirmative vote of the holders of at least 50 percent of the total voting power of all shares of stock of the corporation entitled to vote in the election of directors generally, considered for purposes of this Article SEVENTH as one class. For purposes of this Paragraph C of this Article SEVENTH, "Cause" shall require either (1) a felony

conviction, or (2) an adjudication by a court of competent jurisdiction following a trial on the merits of gross negligence or misconduct in the performance of the director's duty to the corporation.

D. Newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, removal or other cause may be filled only by a majority vote of the directors then in office, though less than a quorum, or by a sole remaining director. In the event that all of the directorships have been vacated by reason of deaths, resignations, removals or other causes, then within ten days of the date on which the last director ceased to serve as a director, the then highest ranking officer of the corporation shall direct that written notice be sent to the stockholders informing them of the place, date and hour of a special stockholders' meeting which shall be held for the purpose of filling the vacated directorships. Such stockholders' meeting shall be held not less than ten days after the mailing of the notices described in the preceding sentence, but not more than sixty days after the date of such notice. In the event the then highest ranking officer fails to provide notice or no such officer is available, any stockholder may request the appropriate court of the State of Colorado to schedule a special stockholders' meeting for the purpose of electing

directors. Any director chosen pursuant to the provisions of this paragraph shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which he has been elected expires and until his successor is duly elected and qualified.

E. In addition to the voting requirements imposed by law or by any other provision of the Articles of Incorporation, this Article SEVENTH may not be amended, altered or repealed in any respect, nor may any provision inconsistent with this Article SEVENTH be adopted, unless such action is approved by the affirmative vote of the holders of at least 90 percent of the total voting power of all shares of stock of the corporation entitled to vote in the election of directors generally, considered for purposes of this Article SEVENTH as one class.

EIGHTH. A. Nominations for the election of directors may be made by the Board of Directors or by a committee appointed by the Board of Directors or by any stockholder of record of the corporation entitled to vote in the election of directors generally, provided that such stockholder has given actual written notice of such stockholder's intent to make such nomination or nominations to the Secretary of the corporation not later than (1) with respect to an election to be held at an annual meeting of stockholders, 90 days in advance of such meeting (or, if later, 90 days prior to the anniversary date of the immediately preceding annual meeting

of stockholders if such meeting involved the public solicitation of proxies for the election of directors), and (2) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the seventh day following (a) the date on which notice of such meeting is first given to stockholders or (b) the date on which public disclosure of such meeting is made, whichever is earlier. Each such notice submitted by a stockholder of record intending to make a nomination shall include: (1) the name and address of the stockholder of record who intends to make the nomination and of the person or persons to be nominated; (2) a representation that the stockholder intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (3) a description of all arrangements or understandings between the stockholder and each nominee or between the stockholder or the nominee and any other person or persons (naming such person or persons), pursuant to which the nomination or nominations are to be made by the stockholder or relating to the corporation or its securities or to such nominee's service as a director if elected; (4) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee been nominated, or intended to be

nominated, by the Board of Directors; (5) a representation that each person to be nominated has been a beneficial or record owner of shares of stock of the corporation for a period of not less than 90 days prior to the date of such notice; and (6) the written consent of each nominee to serve as a director of the corporation if so elected. The Secretary of the corporation shall deliver any such notices of nominations submitted by stockholders to the person who shall serve as chairman of the stockholders' meeting at which such nominations are to be considered for election. The chairman of the meeting shall review such notices of nomination and shall accept for nomination only those candidates for whom proper notice has been submitted in accordance with the provisions of these Articles of Incorporation and bylaws of this corporation. The nomination of any person not made in compliance with such provisions shall be of no effect.

B. In addition to the voting requirements imposed by law or by any other provision of these Articles of Incorporation, this Article EIGHTH may not be amended, altered or repealed in any respect, nor may any provision inconsistent with this Article EIGHTH be adopted, unless such action is approved by the affirmative vote of the holders of at least 90 percent of the total voting power of all shares of stock of the corporation entitled to vote in

the election of directors generally, considered for purposes of this Article EIGHTH as one class.

NINTH. A. Any stockholder action required or permitted by the Colorado Corporation Code to be taken by the stockholders of the corporation at any annual or special meeting of such stockholders must be effected at a duly called annual or special meeting of stockholders of the corporation and may not be effected by any consent in writing by such stockholders unless such consent shall be unanimous.

B. The Chairman of the Board, if any, or in his absence, the President, or, in the absence of both the Chairman of the Board and the President, such officer or director of the corporation as the Board of Directors shall prescribe from time to time by resolution, shall call meetings of the stockholders to order and shall act as chairman of such meetings. In the event the Chairman of the Board, the President and any person prescribed from time to time by resolution, are not present, the meeting shall be adjourned until such time as there shall be present the Chairman of the Board, the President or a person prescribed by resolution. The Chairman of the Meeting shall have plenary power to set the agenda, determine the procedure and rules of order, and make definitive rulings at meetings of the stockholders. The Secretary or an Assistant Secretary of the corporation shall act as secretary at all meetings of

the stockholders, but in their absence the chairman of the meeting may appoint any person present at the meeting to act as secretary of the meeting.

C. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting business must be (1) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (2) brought before the meeting by or at the direction of the Board of Directors, or (3) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the corporation not less than 90 days prior to such meeting (or, if later, not less than 90 days prior to the anniversary date of the immediately preceding annual meeting of stockholders if such meeting involved the public solicitation of proxies for the election of directors). A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the

reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the corporation which are beneficially owned by the stockholder, and (d) any material interest of the stockholder in such business. Notwithstanding anything in the bylaws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Article NINTH. The chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Article NINTH, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

D. Special meetings of the stockholders of the corporation may be called by the Chairman of the Board, if any, or the President of the corporation, in his discretion, and shall be called by the President or Secretary at the direction in writing of not less than three directors of the corporation then holding office. Such written direction shall state the purpose or purposes of the proposed meeting. No business may be conducted at a special meeting of the stockholders unless set forth in the notice of such meeting (or any supplement thereto) given by or at the

direction of an appropriate officer of the corporation as identified herein.

E. In addition to the voting requirements imposed by law or by any other provision of these Articles of Incorporation, this Article NINTH may not be amended, altered or repealed in any respect, nor may any provision inconsistent with this Article NINTH be adopted, unless such action is approved by the affirmative vote of the holders of at least 90 percent of the total voting power of all shares of stock of the corporation entitled to vote in the election of directors generally, considered for purposes of this Article NINTH as one class.

TENTH. Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Colorado may, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of Colorado law or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Colorado law order a meeting of the creditors or class of creditors and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be

summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

ELEVENTH. A. In addition to the vote or consent of the holders of stock of this corporation otherwise required by law, by agreement or by these Articles of Incorporation, and except as set forth in Paragraph B of this Article ELEVENTH, any Business Transaction (as hereinafter defined) shall require the affirmative vote of the holders of that number of outstanding shares of all classes of stock of this corporation entitled to vote in elections of directors (considered for the purposes of this Article ELEVENTH as one class) which equals the sum of (a) the number of outstanding shares of such voting stock beneficially owned (as hereinafter defined) by any Interested Related Party (as hereinafter defined) plus (b) ninety percent of the

remaining number of outstanding shares of such voting stock that are not beneficially owned by any Interested Related Party.

B. The provisions of this Article ELEVENTH shall not be applicable to any Business Transaction if either:

(1) such Business Transaction shall have been approved by a resolution adopted by not less than three-fourths of those members of the Board of Directors of this corporation holding office at the time such resolution is adopted who are not Related Party Directors (as hereinafter defined); or

(2) all of the following conditions have been met: (a) the aggregate amount of the cash and the fair market value (as determined by the investment banking firm referred to in clause (d) below) of consideration other than cash to be received per share in the Business Transaction by holders of Common Stock of this corporation is not less than the higher of (i) the highest per share price (including any brokerage commissions, transfer taxes, soliciting dealer's fees, dealer-management compensation and similar expenses) paid or payable by any Interested Related Party to acquire beneficial ownership of any shares of Common Stock within the three-year period immediately prior to the record date for the determination of stockholders of this corporation entitled to vote on or consent to such Business Transaction, or (ii) the per share book value of the Common Stock

(computed in accordance with generally accepted accounting principles) at the end of the fiscal quarter of this corporation immediately preceding the record date for the determination of stockholders of this corporation entitled to vote on or consent to such Business Transaction; (b) the consideration to be received by holders of Common Stock other than any Interested Related Party shall be either in cash or in the form used by any Interested Related Party to acquire the largest number of shares of Common Stock previously acquired by any Interested Related Party; (c) at the record date for the determination of stockholders of this corporation entitled to vote on the proposed Business Transaction, there shall be one or more directors of this corporation who are not Related Party Directors; and (d) a proxy statement describing the proposed Business Transaction and complying with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations) shall be mailed to the holders of outstanding shares of stock of this corporation entitled to vote in elections of directors as of the record date for the determination of stockholders of this corporation entitled to vote on or consent to such proposed Business Transaction, at least 30 days prior to the consummation of such Business Transaction (whether or not such proxy statement is required to be mailed pursuant to such Act or subsequent provisions),

and such proxy statement shall contain in a prominent place (i) any recommendations as to the advisability (or inadvisability) of the proposed Business Transaction that the members of the Board of Directors of this corporation who are not Related Party Directors may choose to state, and (ii) the opinion of an investment banking firm as to both (I) the fair market value of any consideration other than cash to be received per share of Common Stock (as required by clause (a) above), and (II) the fairness of the terms of the proposed Business Transaction from the point of view of the holders of Common Stock other than Interested Related Parties. Such investment banking firm shall be engaged solely on behalf of the holders of Common Stock other than Interested Related Parties, shall be selected by a majority of the directors of this corporation who are not themselves Related Party Directors, shall be paid a reasonable fee for its services by this corporation upon receipt of such opinion and shall be a major investment banking firm of national reputation that has not previously been associated with any Interested Related Party. For purposes of clause (a) above, the term "consideration other than cash to be received" shall include Common Stock of this corporation retained by its stockholders in the event of a Business Transaction in which this corporation is the surviving corporation.

C. Except as otherwise provided in this Article ELEVENTH, any direct or indirect purchase or other acquisition by the corporation of any shares of stock of the corporation owned by any Related Party (as hereinafter defined) who has beneficially owned such shares of stock for less than three years preceding the date of such proposed purchase or other acquisition shall require the affirmative vote or consent of the holders of that number of outstanding shares of all classes of stock of this corporation entitled to vote in elections of directors (considered for the purposes of this Article ELEVENTH as one class) which equals the sum of (a) the number outstanding shares proposed to be purchased from such Related Party (as hereinafter defined) plus (b) ninety percent of the remaining number of outstanding shares of such voting stock.

D. The provisions of Paragraph C of this Article ELEVENTH shall not apply to (i) any offer to purchase made by the corporation which is made on the same terms and conditions to the holders of all shares of stock of the corporation, (ii) any purchase by the corporation of shares owned by a Related Party occurring after the end of three years following the date of the last acquisition by such Related Party of stock of the corporation, (iii) any transaction which may be deemed to be a purchase by the corporation of shares of its stock which is made in accordance with the terms of any stock option or other

employee benefit plan now or hereafter maintained by the corporation, or (iv) any purchase by the corporation of shares of its stock at prevailing market prices pursuant to a stock repurchase program.

E. Except as otherwise provided in this Article ELEVENTH, a Related Party may not, pursuant to a tender offer, one or more market purchases, or otherwise, acquire directly or indirectly, beneficial ownership of greater than twenty percent of the outstanding Common Stock of this corporation without the prior approval of a majority of the Board of Directors who are not Related Party Directors unless, prior to such acquisition, the Related Party (a) makes a cash tender offer for all of the outstanding Common Stock of this corporation not already beneficially owned by the Related Party at a price which is at least equal to the higher of (i) the highest per share price (including any brokerage commissions, transfer taxes, soliciting dealer's fees, dealer-management compensation and similar expenses) paid or payable by the Related Party to acquire beneficial ownership of any shares of Common Stock of this corporation during the twelve month period immediately preceding the commencement of such tender offer or (ii) the highest reported market price of this corporation's Common Stock during such twelve month period, and (b) purchases all shares of this corporation's Common Stock properly tendered pursuant to such offer.

F. For the purposes of this Article ELEVENTH:

(1) the term "Business Transaction" shall mean:

(a) any merger or consolidation of the corporation or any of its subsidiaries with or into any Related Party or any Affiliate or Associate of a Related Party, or

(b) any sale, lease, exchange, mortgage, pledge, transfer, or other disposition of any assets of this corporation or any of its subsidiaries to or with any Related Party or any Affiliate or Associate of a Related Party if such assets have a book value in excess of 10 percent of the book value (determined in accordance with generally accepted accounting principles) of the total consolidated assets of the corporation and all subsidiaries which are consolidated for public financial reporting purposes at the end of its most recent fiscal period ending prior to the time the determination is made for which financial information is available, or

(c) any issuance, sale, exchange, transfer or other disposition by this corporation or any of its subsidiaries of any securities of this corporation or any of its subsidiaries to or with any Related Party or any Affiliate or Associate of a Related Party, or

(d) any recapitalization of this corporation or any subsidiary, or merger or consolidation of this corporation with any subsidiary, which has the effect,

directly or indirectly, of increasing the proportionate interest of any Related Party or any Affiliate or Associate of a Related Party in the outstanding stock of any class of this corporation or any subsidiary;

(2) the term "person" shall mean any corporation, partnership, association, trust, business entity, estate or individual;

(3) the terms "Affiliate" and "Associate" shall have the meaning given them in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on May 1, 1990;

(4) a Person shall be deemed to be the beneficial owner of any shares of stock of this corporation

(a) which such Person beneficially owns as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on May 1, 1990, or

(b) which such Person has the right to acquire pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise, regardless of whether such right to acquire is presently exercisable, or

(c) which are beneficially owned, directly or indirectly (including shares deemed owned through application of clause (b) above), (i) by any Affiliate or

Associate of such Person, or (ii) by any Person acting in concert with it, or

(d) which are beneficially owned, directly or indirectly (including shares deemed owned through application of clause (b) above), by any Person with which it or any Affiliate or Associate of it, or any Person acting in concert with it or with any Affiliate or Associate of it, has any agreement, arrangement or understanding with respect to acquiring, holding, voting or disposing of stock of this corporation;

(5) the term "Related Party" shall mean and include any Person who is the beneficial owner, directly or indirectly, of 10% or more of the outstanding shares of stock of this corporation entitled to vote in elections of directors (considered for the purposes of this Article ELEVENTH as one class);

(6) the term "Related Party Director" shall mean and include each director of this corporation who is himself or herself a Related Party or an Affiliate or Associate of a Related Party or an officer, director or employee of a Related Party or of an Affiliate or Associate of a Related Party; and

(7) the term "Interested Related Party" shall mean a Related Party that is a party to a Business Transaction or is an Affiliate or Associate of a party to a Business Transaction or will experience an increase in its

proportionate interest in the outstanding stock of any class of this corporation as a result of a Business Transaction. For the purposes of determining whether a Person is a Related Party under this Article ELEVENTH, the outstanding shares of any class of stock of this corporation shall include shares deemed owned through application of Clauses (a), (b), (c) and (d) of subparagraph (4) above, but shall not include any other share which may be issuable pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise.

G. On the basis of information known to this corporation, the Board of Directors of this corporation, acting by resolutions adopted by a majority of those members of the Board of Directors who are not themselves Related Party Directors, shall make all determinations to be made under this Article ELEVENTH, including whether (1) a Person beneficially owns 5% or more of the outstanding shares of stock of this corporation entitled to vote in elections of directors, or (2) a Person has the right to acquire shares of stock of this corporation, or (3) a Person is an Affiliate or Associate of another, or (4) a Person has any agreement, arrangement or understanding with respect to acquiring, holding, voting or disposing of stock of this corporation, or (5) a Person is acting in concert with any other Person, or (6) an amount equals or exceeds the highest per share price paid or payable by an Interested Related

Party for Common Stock, or (7) an amount equals or exceeds the per share book value of Common Stock, or (8) a form of consideration other than cash is the same form as used by an Interested Related Party to acquire the largest number of shares of Common Stock previously acquired by an Interested Related Party, or (9) an investment banking firm is a firm of national reputation, or (10) a fee to be paid an investment banking firm is reasonable, or (11) an investment banking firm has been previously associated with an Interested Related Party; and all such determinations shall be conclusive.

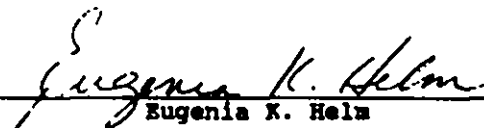
H. In addition to any other requirements for amendments to these Articles of Incorporation, no amendment to these Articles of Incorporation shall amend, alter, change or repeal any of the provisions of this Article ELEVENTH unless such amendment shall receive the affirmative vote or consent of the holders of that number of outstanding shares of all classes of stock of this corporation entitled to vote in elections of directors (considered for the purposes of this Article ELEVENTH as one class) which equals the sum of (a) the number of outstanding shares of such voting stock beneficially owned by all Related Parties plus (b) ninety percent of the remaining number of outstanding shares of such voting stock that are not beneficially owned by any Related Party; provided that this Paragraph H of Article ELEVENTH shall not apply to any amendment to these

Articles of Incorporation approved by a resolution adopted by not less than three-fourths of those members of the Board of Directors of this corporation holding office at the time such resolution is adopted who are not themselves Related Party Directors.

TWELFTH. This corporation reserves the right to amend these Articles of Incorporation, and thereby to change or repeal any provisions herein contained from time to time, and all rights conferred upon stockholders by these Articles of Incorporation are granted subject to this reservation.

THIRTEENTH. The name and mailing address of the incorporator of this corporation are Eugenia K. Helm, P. O. Box 15265, Lakewood, Colorado 80215.

FOURTEENTH. The corporation shall have a perpetual existence.


Eugenia K. Helm

VERIFICATION

STATE OF COLORADO)
COUNTY OF JEFFERSON)

I, Judy Ann Daniels, a notary public, hereby certify that on the 6th day of April, 1990, personally appeared before me Eugenia K. Helm, who being by me first duly sworn, declared that she is the person who signed the foregoing

document as incorporator and that the statements therein
contained are true.



Notary Public
12955 West Second Place
Lakewood, Colorado 80228

My commission expires: September 15, 1990

ARTICLES OF INCORPORATION/CERTIFICATE OF AUTHORITY

CORPORATE NAME Rocky Mountain Gas Transmission Company		
THE PERIOD OF EXPIRATION IF OTHER THAN PERPETUAL		
PRINCIPAL OFFICE IN STATE OR COUNTRY OF INCORPORATION		
12055 W. 2nd Place		STATE OF INC Colorado
Lakewood	STATE CO	ZIP CODE 80228
FOR OFFICE USE ONLY		



**THIS DOCUMENT MUST BE TYPED
IN WHITE BLOCKS ONLY
SUBMIT ONE COPY ONLY**

ANY QUESTIONS CALL
(303) 894-2281

SECRETARY OF STATE
1000 Broadway • Denver, Colorado 80202

***** NONPROFIT AND FOREIGN CORPORATIONS DO NOT COMPLETE STOCK INFORMATION *****

1. CLASS OF STOCK	2. NUMBER OF SHARES	3. PAR VALUE
Common	10,000	\$1.00

FIRST DIRECTOR OFFICER NAME		
K N Energy, Inc.		
ADDRESS		
12055 W. 2nd Place		
CITY	STATE	ZIP CODE
Lakewood	CO	80228

SECOND DIRECTOR OFFICER NAME		
Hall	Larry	D.
ADDRESS		
12055 W. 2nd Place		
CITY	STATE	ZIP CODE
Lakewood	CO	80228
FOREIGN COUNTRY		

THIRD DIRECTOR OFFICER NAME		
Madigan	Arnold	R.
ADDRESS		
12055 W. 2nd Place		
CITY	STATE	ZIP CODE
Lakewood	CO	80228
FOREIGN COUNTRY		

FOURTH DIRECTOR OFFICER NAME		
McHugh	Robert	C.
ADDRESS		
12055 W. 2nd Place		
CITY	STATE	ZIP CODE
Lakewood	CO	80228
FOREIGN COUNTRY		

FIFTH DIRECTOR OFFICER NAME		
ADDRESS		
CITY	STATE	ZIP CODE
FOREIGN COUNTRY		

Subject to Duplicate
Filing Fee: \$30.00

This document must be typewritten

Colorado Secretary of State
Corporations Office
1560 Broadway, Suite 200
Denver, Colorado 80202
(303) 894-2251

06-26-90 08:33
901070427 \$30.00

ARTICLES OF AMENDMENT
to the
ARTICLES OF INCORPORATION

DP90102777

Pursuant to the provisions of the Colorado Corporation Code, the undersigned corporation adopts the following Articles of Amendments to its Articles of Incorporation:

FIRST: The name of the corporation is (note 1) Rocky Mountain Gas Transmission Company

SECOND: The following amendment to the Articles of Incorporation was adopted on June 25,
19 90 as prescribed by the Colorado Corporation Code, in the manner marked with an X below:

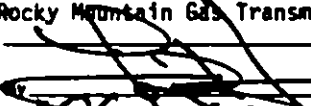

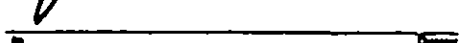
- ☐ Such amendment was adopted by the board of directors where no shares have been issued.
- ☒ Such amendment was adopted by a vote of the shareholders. The number of shares voted for the amendment was sufficient for approval.

"FIRST. The name of this corporation is K N TransColorado, Inc."

"SECOND. The address of this corporation's registered office in the State of Colorado is 12055 West Second Place, Lakewood, Colorado 80228. The name of its registered agent at such address is K N Energy, Inc."

THIRD: The manner, if not set forth in such amendment, in which any exchange, reclassification, or cancellation of issued shares provided for in the amendment shall be effected, is as follows: None.

FOURTH: The manner in which such amendment effects a change in the amount of stated capital, and the amount of stated capital as changed by such amendment, are as follows: None.

Rocky Mountain Gas Transmission Company
 (Note 1)
President
and  (Note 2)
Assistant Secretary
 (Note 3)
Director

- NOTES: 1. Exact corporate name of corporation adopting the Articles of Amendments. (If this is a change of name amendment the name before this amendment is filed)
2. Signatures and titles of officers signing for the corporation.
3. Where no shares have been issued, signature of a director.

COMPUTER UPDATE COMPLETE
mp



SS: Form D-4 (Rev. 7/89)
Submit in Duplicate
Filing Fee: \$30.00

This document must be typewritten

MAIL TO:
Colorado Secretary of State
Corporations Office
1560 Broadway, Suite 200
Denver, Colorado 80202
(303) 894-2251

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to the
ARTICLES OF INCORPORATION

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STATE OF COLORADO

DEPARTMENT OF
STATE

CERTIFICATE

I, VICTORIA BUCKLEY, SECRETARY OF STATE OF THE STATE OF
COLORADO HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF
THIS OFFICE,

K N TRANSCOLORADO, INC.
(COLORADO CORPORATION)

FILED A CERTIFICATE OF AUTHORITY ON OCTOBER 8, 1998
TO DO BUSINESS IN THE STATE OF COLORADO UNDER THE NAME OF

TRANSCOLORADO GAS TRANSMISSION COMPANY

AND IS DULY ORGANIZED AND IN GOOD STANDING AND IS AUTHORIZED
AND COMPETENT TO TRANSACT ITS BUSINESS OR CONDUCT ITS
AFFAIRS WITHIN THE STATE OF COLORADO.

Dated: October 08, 1998



SECRETARY OF STATE



STATE OF COLORADO

DEPARTMENT OF
STATE

CERTIFICATE

I, **NATALIE MEYER**, Secretary of State of the State of Colorado hereby certify that the prerequisites for the issuance of this certificate have been fulfilled in compliance with law and are found to conform to law.

Accordingly, the undersigned, by virtue of the authority vested in me by law, hereby issues A CERTIFICATE OF AMENDMENT TO K N TRANSCOLORADO, INC., FORMERLY KNOWN AS ROCKY MOUNTAIN GAS TRANSMISSION COMPANY.

Dated: JUNE 26, 1990



SECRETARY OF STATE

BYLAWS
OF
ROCKY MOUNTAIN GAS TRANSMISSION COMPANY

ARTICLE 1

OFFICES; REGISTERED AGENT

Section 1.1 Registered Office and Agent. The corporation shall maintain in the State of Colorado a registered office and a registered agent whose business office is identical with such registered office.

Section 1.2 Principal Business Office; Other Offices. The corporation shall have its principal business office at such location within or without the State of Colorado as the board of directors may from time to time determine. The corporation may have other offices within or without the State of Colorado.

ARTICLE 2

STOCKHOLDERS

Section 2.1 Annual Meeting. The annual meeting of the stockholders of the corporation (the "stockholders") shall be held each year at such time and date as the board of directors of the corporation (the "board of directors") may designate prior to the giving of notice of such meeting, for the purpose of electing directors and for the transaction such other business as may properly come before the meeting.

Section 2.2 Special Meetings. Special meetings of the stockholders of the corporation may be called by the chairman of the board, if any, or the president of the corporation, in his or her discretion, and shall be called by the president or secretary at the request in writing of not less than two-thirds of the directors of the corporation then holding office or at the request in writing of the holders of shares of stock of the corporation entitled to cast at least two-thirds of the total votes which all of the outstanding shares of stock of the corporation would be entitled to cast at such meeting. Such written request shall state the purpose or purposes of the proposed meeting.

Section 2.3 Place of Meetings. The board of directors may designate any place, either within or without the State of Colorado, as the place of meeting for any annual or special meeting of the stockholders, but if no such designation is made prior to the giving of notice of such meeting, the place of meeting shall be the principal business office of the corporation.

Section 2.4 Notice of Meetings. (a) Except as otherwise prescribed by statute or by the articles of incorporation of the corporation, written or printed notice stating the place, date and hour of the meeting of the stockholders and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder of record entitled to vote at the meeting, not less than 10 nor

more than 60 days before the date of the meeting or, in the case of a meeting called for the purpose of acting upon a merger or consolidation, not less than 20 nor more than 60 days before the meeting. Such notice shall be given by or at the direction of the secretary of the corporation. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the stockholder at his or her address as it appears on the records of the corporation, with postage thereon prepaid. If delivered (rather than mailed) to such address, such notice shall be deemed to be given when so delivered.

(b) When a meeting is adjourned to another time or place, notice thereof need not be given to the stockholders if the time and place thereof are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than 30 days or unless a new record date is fixed for the adjourned meeting.

Section 2.5 Waiver of Notice. A waiver of notice in writing signed by a stockholder entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a stockholder in person or by proxy at a meeting of the stockholders shall constitute a waiver of notice of such meeting except when the stockholder or his or her proxy attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any

business because the meeting is not lawfully called or convened.

Section 2.6 Record Dates. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of the stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting (or 20 days if a merger or consolidation is to be acted upon at such meeting), nor more than 60 days prior to any other action. Only those who shall be stockholders of record on the record date so fixed as aforesaid shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to express such consent, or to receive payment of such dividend or other distribution or allotment of rights, or to exercise such rights, or to be treated as stockholders for purposes of any other lawful action, as the case may be, notwithstanding the transfer of any stock on the books of the corporation after the applicable record date.

Section 2.7 Lists of Stockholders. The officer who has charge of the stock ledger of the corporation shall prepare

and make, at least 10 days before each meeting of the stockholders, a complete list of the stockholders entitled to vote thereat, arranged in alphabetical order and showing the address of and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the municipality where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where said meeting is to be held, and the list shall be produced and kept at the time and place of the meeting during the whole time thereof, for inspection by any stockholder who may be present.

Section 2.8 Quorum and Vote Required for Action. The holders of shares of stock of the corporation entitled to cast a majority of the total votes which all of the outstanding shares of stock of the corporation would be entitled to cast at the meeting, when present in person or by proxy, shall constitute a quorum at any meeting of the stockholders; provided that if a quorum is not present, then holders who are present in person or by proxy, by a majority of the votes cast, may adjourn the meeting from time to time. If a quorum is present at any meeting of the stockholders, a majority of the votes entitled to be cast by those stockholders present in person or by proxy shall be the act of the stockholders,

unless a different number of votes is required by statute or the certificate of incorporation of the corporation. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting. Withdrawal of stockholders from any meeting shall not cause failure of a duly constituted quorum at that meeting.

Section 2.9 Proxies. Each stockholder entitled to vote at a meeting of the stockholders or to express consent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by proxy, but no proxy shall be valid after eleven months from its date unless otherwise provided in the proxy. Such proxy shall be in writing and shall be filed with the secretary of the corporation before or at the time of the meeting or the giving of such written consent, as the case may be. Every proxy shall be revocable at the pleasure of the stockholder executing it, except that a duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power.

Section 2.10 Voting of Shares. Each stockholder shall be entitled to such vote (in person or by proxy) for each share of stock having voting power held of record by such stockholder as shall be provided in the articles of incorporation of the corporation or, absent provision therein fixing or denying

voting rights, shall be entitled to one vote per share on each matter to be voted upon.

Section 2.11 Voting by Ballot. All elections of directors shall be by written ballot. Any other question or election at a meeting of the stockholders may be decided by written ballot or voice vote as ordered by the presiding officer unless otherwise provided in the articles of incorporation of the corporation or required by statute.

Section 2.12 Inspectors. At any meeting of the stockholders, the presiding officer may, or upon the request of any stockholder shall, appoint one or more persons as inspectors for such meeting. Such inspectors shall ascertain and report the number of shares represented at the meeting, based upon their determination of the validity and effect of proxies; count all votes and report the results; and do such other acts as are proper to conduct the voting with impartiality and fairness to all the stockholders. Each report of an inspector shall be in writing and signed by such inspector or a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority of them shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the results of the voting shall be prima facie evidence thereof.

Section 2.13 Organization; Procedural Matters. At any meeting of the stockholders, the chairman of the board of the

corporation, if any, or in his absence, the president of the corporation shall act as chairman of the meeting. In the absence of the chairman of the board and the president, the board of directors shall appoint a person to act as chairman of the meeting, but if no such appointment is made, then a person chosen by a majority of the votes entitled to be cast by the stockholders present in person or by proxy at the meeting shall act as chairman of the meeting. The secretary of the corporation or, in such secretary's absence, an assistant secretary of the corporation, shall be the secretary of any meeting of the stockholders, but if neither the secretary nor an assistant secretary of the corporation is present, the chairman of the meeting shall appoint a secretary of the meeting. The chairman of the meeting shall have the right to decide, without appeal, all procedural matters before the meeting.

Section 2.14 Informal Action. If the matter to be acted upon previously has been approved by the board of directors and directed by such board to be submitted to the stockholders for their action thereon by written consent, then any such corporate action upon which a vote of the stockholders is required or permitted may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares of stock of the corporation entitled to cast not less than the minimum number of votes

that would be necessary to authorize or take such action at a meeting at which all shares of stock of the corporation entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not so consented in writing.

ARTICLE 3

DIRECTORS

Section 3.1 Powers. The business and affairs of the corporation shall be managed under the direction of its board of directors, which may exercise such powers and do all such lawful acts and things as are not by statute or by the articles of incorporation of the corporation or by these bylaws directed or required to be exercised or done by the stockholders.

Section 3.2 Number, Election, and Term of Office. The number of directors which shall constitute the whole board of directors shall be three. There shall be one director in Class I, one director in Class II, and one director in Class III. Except as provided in Section 3.3, one director shall be elected at each annual meeting of the stockholders as provided in this Section 3.2. The term of office of the Class I director shall expire at the annual election of directors by the stockholders in 1992, the term of office of the Class II director shall expire at the annual election of directors by the stockholders in 1993, and the term of office of the Class

III director shall expire at the annual election of directors by the stockholders in 1994, or thereafter in each case until their respective successors are duly elected and qualified. At each annual election of directors by the stockholders, the successor to the class of director whose term then expires shall be identified as being of the same class as the director he or she succeed and shall be elected for a term expiring at the election of directors at the third succeeding annual meeting of the stockholders, or thereafter when his or her order respective successor(s) in each case is thereafter duly elected and qualified.

Section 3.3 Vacancies. Vacancies occurring in the board of directors and newly created directorships resulting from any increase in the authorized number of directors of the corporation may be filled by a majority of the directors of the corporation then in office, although less than a quorum, or by a sole remaining director, and any director so chosen shall hold office until the next election of directors of the class for which he shall have been chosen and until his successor is duly elected and qualified.

Section 3.4 Regular Meetings. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board of directors.

Section 3.5 Special Meetings. Special meetings of the board of directors may be called by the chairman of the board,

if any, or by the president of the corporation or by any two directors. The person or persons calling a special meeting of the board of directors shall fix the time, date, and place at which the meeting shall be held, and such time, date, and place shall be specified in the notice of such meeting.

Section 3.6 Notice to Directors. Notice of special meetings of the board of directors, unless waived, shall be given to a director in person, by mail, by telegram or cable, by telegram or wireless, or by any other means of transmission. Notice by mail and, except in emergency situations as described below, notice by any other means shall be given at least 48 hours before the meeting. For purposes of dealing with an emergency situation, as conclusively determined by the directors or officer calling the meeting, notice may be given in person or by means of transmission other than mail not less than two hours prior to the meeting. If the secretary of the corporation shall fail or refuse to give such notice, then the notice may be given by the directors or officer calling the meeting.

If notice to a director is given by mail, such notice shall be deemed to have been given when deposited in the United States mail, postage prepaid, addressed to the director at his or her address as it appears on the records of the corporation. If notice to a director is given by telegram, cable, or other means that provide written notice, such notice shall be deemed to have been given when delivered to any

authorized transmission company, with charges prepaid, addressed to the director at his or her address as it appears on the records of the corporation. If notice to a director is given by telephone, wireless, or other means of voice transmission, such notice shall be deemed to have been given when such notice has been transmitted by telephone, wireless, or such other means to such number or call designation as may appear on the records of the corporation for such director.

Section 3.7 Waiver of Notice. A written waiver of notice, signed by a director entitled to notice of a meeting of the board of directors or of a committee of such board of which the director is a member, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice to that director. Attendance of a director at a meeting of the board of directors or of a committee of such board of which the director is a member shall constitute a waiver of notice of such meeting except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 3.8 Quorum and Manner of Acting. Except as otherwise provided by statute or by the articles of incorporation or by these bylaws, at least the majority of the total number of directors of the corporation holding office at the time shall constitute a quorum at any meeting of the board of

directors and the act of a majority of the directors of the corporation present at any meeting of the board of directors at which a quorum is present shall be the act of the board of directors. In the absence of a quorum, a majority of the directors of the corporation present may adjourn the meeting from time to time until a quorum may be had. Notice of any adjourned meeting need not be given.

Section 3.9 Attendance by Conference Telephone. Members of the board of directors or any committee of such board may participate in a meeting of such board or committee by means of conference telephone or similar communications equipment which allows all persons participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in person at such a meeting.

Section 3.10 Informal Action. Unless otherwise restricted by statute, the articles of incorporation of the corporation or these bylaws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all the directors or by all the members of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the board of directors or of such committee.

Section 3.11 Compensation. The directors may be paid for their services and reimbursed for their expenses, if any, of attendance at each meeting of the board of directors and at

each meeting of any committee of such board of which they are members, as the board of directors shall from time to time determine. The board of directors, irrespective of any personal interest of any of its members, shall have authority to fix compensation of all directors for services to the corporation as directors or officers thereof, or otherwise.

Section 3.12 Resignation; Removal. Any director may resign at any time. Any director of the corporation or the entire board of directors may be removed, but only for cause, by the holders of shares of stock of the corporation entitled to cast a majority of the total votes which all of the outstanding shares of stock of the corporation would be entitled to cast at an election of directors.

Section 3.13 Organization. At any meeting of the board of directors, the chairman of the board of the corporation, if any, or in his absence the president of the corporation shall act as chairman of the meeting. In the absence of the chairman of the board and the president, the directors present at the meeting shall appoint a person to act as chairman of the meeting. The secretary of the corporation or, in his or her absence, an assistant secretary of the corporation, shall be the secretary of any meeting of the board of directors, but if neither the secretary nor an assistant secretary of the corporation is present, the chairman of the meeting shall appoint a secretary of the meeting. The chairman of the

meeting shall have the right to decide, without appeal, all procedural matters before the meeting.

Section 3.14 Personal Liability. A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for acts specified in Section 7-5-114 of the Colorado Corporation Code, or (iv) for any transaction from which the director derived an improper personal benefit.

ARTICLE 4

COMMITTEES

Section 4.1 Committees. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of two or more of the directors of the corporation, which to the extent provided in the resolution, shall have and may exercise the powers of the board of directors with respect to the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority of the board in reference to amending the articles of incorporation of the corporation, adopting an agreement of merger or consolidation, recommending to the

stockholders the sale, lease, or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution or amending the bylaws of the corporation; and unless the resolution expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock of the corporation. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors, and the board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Additionally, in the absence or disqualification of any member of any such committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member.

Section 4.2 Committee Records. Each committee of the board of directors shall keep regular minutes of its meetings and report the same to the board of directors.

Section 4.3 Quorum and Procedure. Except as otherwise provided by the resolution of the board of directors designating such committee or in any amendment to such resolution or by these bylaws, a majority of the members of a committee of

the board of directors shall be necessary to constitute a quorum of that committee, and in every case, and the act of a majority of the members of the committee present at any meeting at which a quorum is present shall be the act of such committee. It shall fix its own rules of procedure and shall meet as provided by such rules or by resolution of the board of directors, and it shall also meet at the call of the chairman or of any two members of the committee. Should a committee fail to fix its own rules therefor, the provisions of these bylaws, pertaining to the calling of meetings and conduct of business by the board of directors, shall apply as nearly as may be appropriate.

ARTICLE 5

OFFICERS

Section 5.1 Designation, Number, Election. The board of directors, at its initial meeting and thereafter at its first regular meeting after each annual meeting of the stockholders, shall choose the officers of the corporation. Such officers shall be a president, one or more vice presidents (one or more of whom may be designated executive vice presidents or senior vice presidents), a secretary, a treasurer, and such assistant secretaries and assistant treasurers as the board of directors may choose, and may also include a chairman of the board. The board of directors may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such

duties as shall be determined from time to time by the board of directors. Any two or more offices may be held by the same person. Except as provided in Article 6, election or appointment as an officer shall not of itself create contract rights.

Section 5.2 Compensation. The compensation of all officers and agents of the corporation chosen by the board of directors shall be fixed by such board, and no officer shall be prevented from receiving such compensation by reason of the fact that he or she is also a director of the corporation.

Section 5.3 Term of Office, Removal, Vacancies. Unless otherwise determined by the board of directors at the time the officer is appointed, each officer of the corporation chosen by the board of directors shall hold office until the next annual appointment of officers by the board of directors and until his or her successor is duly appointed and qualified, or until his or her earlier death, resignation, or removal in the manner hereinafter provided. Any officer or agent chosen by the board of directors may be removed at any time by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any vacancy occurring in any office of the corporation at any time or any new offices may be filled by the board of directors for the unexpired portion of the term.

Section 5.4 Chairman of the Board. The chairman of the board of the corporation, if there is one, shall preside at all meetings of the stockholders and of the board of directors and shall perform such other duties and have such powers as may be assigned by the board of directors, including designation as chief executive officer if the president is not so designated.

Section 5.5 President. The president shall be the chief executive officer of the corporation unless the chairman is so designated, in which event the president shall be chief operating officer of the corporation. The chief executive officer, whether the chairman or the president, shall be an ex officio member of all standing committees and shall have general and active management and control of the business and affairs of the corporation subject to the control of the board of directors. In general, the chief executive officer shall discharge all duties incident to the principal executive office of the corporation and such other duties as may be prescribed by the board of directors from time to time. Without limiting the generality of the foregoing, the chief executive officer shall see that the resolutions and directors of the board of directors are carried into effect except in those instances in which that responsibility is specifically assigned to some other person by the board of directors. In the absence of the chairman of the board or if there be no chairman of the board, the president shall preside at all

meetings of the stockholders and directors and shall have the plenary power to set the agenda, to determine the procedure and rules of order and to make definitive rulings at stockholders' meetings. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation, or a different mode of execution is expressly prescribed by the board of directors, the president may execute for the corporation certificates for its shares of stock (the issue of which shall have been authorized by the board of directors) and any contracts, deeds, mortgages, bonds, or other instruments which the board of directors has authorized, and may (without previous authorization by the board of directors) execute such contracts and other instruments as the conduct of the corporation's business in its ordinary course requires, and may accomplish such execution in each case either under or without the seal of the corporation and either individually or with the secretary, any assistant secretary or any other officer thereunto authorized by the board of directors, according to the requirements of the form of the instrument. The president may vote all securities which the corporation is entitled to vote except as and to the extent such authority shall be vested in a different officer or agent of the corporation by the board of directors.

Section 5.6 Vice President(s). The vice president (and, in the event there is more than one vice president, each of

the vice presidents) shall render such assistance to the president in the discharge of his or her duties as the president may direct and shall perform such other duties as from time to time may be assigned by the president or by the board of directors. In the absence of the president or in the event of his or her inability or refusal to act, the vice president (or in the event there may be more than one vice president, the vice presidents in the order designated by the board of directors, or by the president if the board of directors has not made such a designation, or in the absence of any designation, then in the order of seniority of tenure as vice president) shall perform the duties of the president and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation or a different mode of execution is expressly prescribed by the board of directors, the vice president (or each of them if there are more than one) may execute for the corporation certificates for its shares of stock (the issue of which shall have been authorized by the board of directors) and any contracts, deeds, mortgages, bonds, or other instruments which the board of directors has authorized, and may (without previous authorization by the board of directors) execute such contracts and other instruments as the conduct of the corporation's business in its ordinary course requires, and may

accomplish such execution in each case either under or without the seal of the corporation and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the board of directors, according the requirements of the form of the instrument.

Section 5.7 Treasurer. The treasurer shall perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned by the board of directors or the chief executive officer. Without limiting the generality of the foregoing, the treasurer shall have charge and custody of all funds and securities of the corporation and be responsible therefor and for the receipt and disbursement thereof. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the board of directors may determine.

Section 5.8 Secretary. The secretary shall perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the board of directors or the chief executive officer. Without limiting the generality of the foregoing, the secretary shall (a) record the minutes of the meetings of the stockholders and the board of directors and committees of the board of directors in one or more books provided for that purpose and shall include in such books the actions by written consent of the stockholders, the board of directors, and committees of the board of

directors; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by statute; (c) be the custodian of the corporate records and the seal of the corporation; (d) keep a register of the post office address of each stockholder which shall be furnished to the secretary by such stockholder; (e) sign with the chairman of the board, the president, or a vice president, or any other officer thereunto authorized by the board of directors, certificates for shares of stock of the corporation (the issue of which shall have been authorized by the board of directors) and any contracts, deeds, mortgages, bonds, or other instruments which the board of directors has authorized, and may (without previous authorization by the board of directors) sign with such other officers as aforesaid such contracts and other instruments as the conduct of the corporation's business in its ordinary course requires, in each case according to the requirements of the form of the instrument, except when a different mode of execution is expressly prescribed by the board of directors; and (f) have general charge of the stock transfer books of the corporation.

Section 5.9 Assistant Treasurers and Assistant Secretaries. The assistant treasurers and assistant secretaries shall perform such duties as shall be assigned to them by the treasurer, in the case of assistant treasurers, or the secretary, in the case of assistant secretaries, or by the board of directors, the chairman of the board, if any, or

president in either case. Each assistant secretary may sign with the chairman of the board, the president, or a vice president, or any other officer thereunto authorized by the board of directors, or any other officer thereunto authorized by the board of directors, certificates for shares of stock of the corporation (the issue of which shall have been authorized by the board of directors) and any contracts, deeds, mortgages, bonds, or other instruments which the board of directors has authorized, and may (without previous authorization by the board of directors) sign with such other officers as aforesaid such contracts and other instruments as the conduct of the corporation's business in its ordinary course requires, in each case according to the requirements of the form of the instrument, except when a different mode of execution is expressly prescribed by the board of directors. The assistant treasurers shall, if required by the board of directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the board of directors shall determine.

ARTICLE 6

INDEMNIFICATION

Section 6.1 Indemnification of Officers and Directors.

(a) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative

(other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

(b) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director or

officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

(c) To the extent that any person referred to in paragraphs (a) and (b) of Section 6.1 has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to therein or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection therewith.

(d) Any indemnification under paragraphs (a) and (b) of Section 6.1 (unless ordered by a court) shall be made by the

corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he or she has met the applicable standard of conduct set forth in paragraphs (a) and (b) of Section 6.1. Such determination shall be made (i) by the board of directors who were not parties to such action, suit or proceeding, or (ii) by independent legal counsel in a written opinion, if such quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, or (iii) by the stockholders.

(e) Expenses incurred by any person who may have a right of indemnification hereunder in defending a civil or criminal action, suit, or proceeding shall be paid by the corporation in advance of the final disposition of such action, suit, or proceeding as authorized by the board of directors upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as provided in this Article 6.

(f) The right to indemnification provided by this Article 6 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, bylaw, agreement, vote of stockholders, or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has

ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

(g) The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of this Article 6.

(h) For purposes of this Article 6, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger with the corporation which, if its separate existence had continued, would have had power and authority to indemnify its directors and officers, so that any person who is or was a director or officer of such constituent corporation, or is or was serving at the request of such constituent corporation as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise, shall stand in the same position under the provisions of this Article 6 with

respect to the corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

(i) For purposes of this Article 6, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director or officer of the corporation which imposes duties on, or involves services by, such director or officer with respect to any employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Article 6.

Section 6.2 Indemnification of Employees and Agents. The board of directors may, by resolution, extend the indemnification provisions of this Article 6 to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding by reason of the fact that he or she is or was an employee or agent of the corporation, or is or was serving at the request of the corporation, or is or was serving at the request of the

corporation as an employee or agent of another corporation, partnership, joint venture, trust, or other enterprise.

Section 6.3 Contract with the Corporation. The provisions of this Article 6 shall be deemed to be a contract between the corporation and each person who serves as such officer or director (or, if extended to employees and agents pursuant to Section 6.2, who serves as such employee or agent) in any such capacity at any time while this Article 6 and the relevant provisions of the Colorado Corporation Code or other applicable laws, if any, are in effect, and any repeal or modification of any such law, any other applicable law, or of this Article 6 shall not diminish any rights to indemnification or advancement of expenses with respect to any state of facts then or theretofore existing or any action, suit, or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

Section 6.4 Other Rights of Indemnification. The indemnification provided or permitted by this Article 6 shall not be deemed exclusive of any other rights to which those indemnified may be entitled by law or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section 6.5 Indemnification Payments. If a claim under Article 6 is not paid in full by the corporation within 30 days after a written claim has been received by the corpora-

tion, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the Colorado Corporation Code for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Colorado Corporation Code, nor an actual determination by the corporation (including its board of directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

ARTICLE 7

CERTIFICATES OF STOCK AND THEIR TRANSFER

Section 7.1 Form and Execution of Certificates. Every holder of stock in the corporation shall be entitled to have a certificate signed by, or in the name of, the corporation by the chairman of the board, the president or a vice president, and by the secretary or assistant secretary of the corporation, certifying the number of shares owned. Such certificates shall be in such form as may be determined by the board of directors. During any period when more than one class of stock of the corporation is authorized, there will be set forth on the face or back of the certificates which the corporation shall issue to represent each class or series of stock a statement that the corporation will furnish, without charge to each stockholder who so requests, the designations, preferences and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations, or restrictions of such preferences and/or rights. In case any officer, transfer agent, or registrar of the corporation who has signed, or whose facsimile signature was placed upon, such certificate had not ceased to be such officer, transfer agent, or registrar of the corporation.

Section 7.2 Replacement Certificates. The corporation may issue a new certificate of stock in place of any certificate theretofore issued by it alleged to have been lost,

stolen, or destroyed, upon the making of an affidavit of the fact by the person claiming the certificate to be lost, stolen, or destroyed. When authorizing such issue of a new certificate, the president or any vice president of the corporation, in his or her discretion and as a condition precedent to the issuance thereof, may require the owner of such lost, stolen, or destroyed certificate, or his or her legal representative, to advertise the same in such manner as such officer of the corporation shall require and may require such owner to give the corporation a bond in such sum as such officer of the corporation may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 7.3 Transfers of Stock. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares of stock of the corporation duly endorsed or accompanied by proper evidence of succession, assignment, or other authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction upon its books, provided the corporation or a transfer agent of the corporation shall not have received a notification of adverse interest and that any conditions of Colorado law have been met.

Section 7.4 Registered Stockholders. The corporation shall be entitled to treat the holder of record (according to the books of the corporation) of any share or shares of its stock as the holder in fact thereof and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other party whether or not the corporation shall have express or other notice thereof, except as otherwise expressly provided by the laws of the State of Colorado.

ARTICLE 8

CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 8.1 Contracts. The board of directors may authorize any officer or officers and agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; provided, however, that this Section 8.1 shall not be a limitation on the powers of office granted under Article 5 of these bylaws.

Section 8.2 Loans. No loans shall be contracted on behalf of the corporation, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the board of directors or a committee of such board. Such authority may be general or confined to specific instances.

Section 8.3 Checks, Drafts, and Other Instruments. All checks, drafts, or other orders for the payment of money and all notes or other evidences of indebtedness issued in the

name of the corporation shall be signed by such officer or officers or such agent or agents of the corporation and in such manner as may be provided for in these bylaws or as from time to time may be determined by the resolution of the board of directors or by an officer or officers of the corporation designated by the board of directors to make such determination.

Section 8.4 Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors, or an officer or officers designated by the board of directors, may select.

ARTICLE 9

MISCELLANEOUS PROVISIONS

Section 9.1 Dividends. Subject to any provisions of any applicable statute or of the articles of incorporation of the corporation or of these bylaws, dividends may be declared upon the capital stock of the corporation by the board of directors at any regular or special meeting thereof, and such dividends may be paid in cash, property, or shares of stock of the corporation.

Section 9.2 Reserves. Before payment of any dividends, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the board of directors from time to time, in its discretion, determines to be proper as a reserve or reserves to meet contingencies, or

for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the board of directors shall determine to be conducive to the interests of the corporation, and the board of directors may modify or abolish any such reserve in the manner in which it was created.

Section 9.3 Voting Stock of Other Corporations. In the absence of specific action by the board of directors, the president of the corporation shall have authority to represent the corporation and to vote, on behalf of the corporation, the securities of other corporations, both domestic and foreign, held by the corporation.

Section 9.4 Fiscal Year. The fiscal year of the corporation shall begin on the first day of January in each year and end on the last day of the next following December.

Section 9.5 Seal. The corporate seal shall have inscribed thereon the name of the corporation and the words "Corporate Seal." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise applied.

Section 9.6 Severability. If any provision of these bylaws, or the application thereof to any person or circumstances, is held invalid, the remainder of these bylaws and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 9.7 Amendment. These bylaws may be amended or repealed, or new bylaws may be adopted, by the board of directors of the corporation. These bylaws may also be amended or repealed, or new bylaws may be adopted, by action taken by the stockholders of the corporation.

APPROVED AND ADOPTED this 9th day of April, 1990.


Robert C. McHugh
Secretary of the Meeting

TransColorado Gas Transmission Company

Exhibit B

State Authorization



OFFICE OF THE
PUBLIC REGULATION COMMISSION

CERTIFICATE OF COMPARISON

OF

K W TRANSCOLORADO, INC.

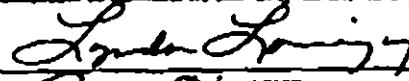
1965482


The Public Regulation Commission certifies that the attached is a true and complete copy of the ****6**** page document(s) on file in this office.

This Certification is in accordance with Section 53-18-4 NMSA 1978.

Dated: AUGUST 27, 2003

In testimony whereof, the Public Regulation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the seal of said Commission to be affixed at the City of Santa Fe.



Chairwoman


Deputy Chief

STATE OF NEW MEXICO



OFFICE OF
THE STATE CORPORATION COMMISSION

CERTIFICATE OF AUTHORITY

OF

K N TRANSCOLORADO, INC.

1965482

A COLORADO CORPORATION

The State Corporation Commission certifies that duplicate originals of the Application for Certificate of Authority attached hereto, duly signed and verified, pursuant to the provisions of the

BUSINESS CORPORATION ACT

(53-17-1 to 53-17-20 NMSA 1978)

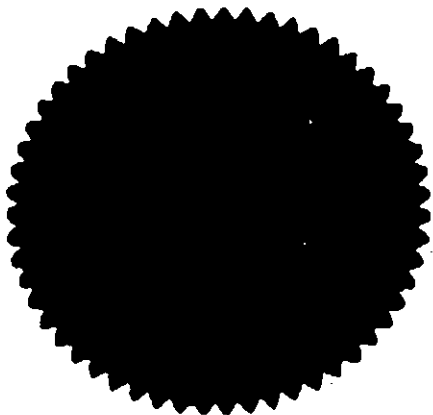
have been received by it and are found to conform to law.

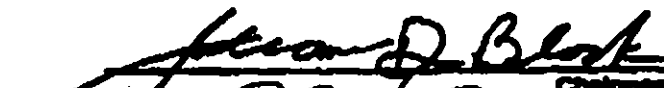
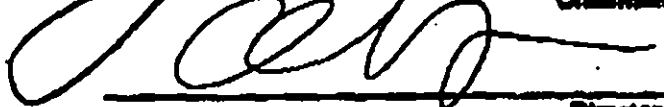
Accordingly, by virtue of the authority vested in it by law, the State Corporation Commission issues this Certificate of Authority and attaches hereto a duplicate original of the Application for Certificate of Authority.

799 2437

Dated: OCTOBER 9, 1998

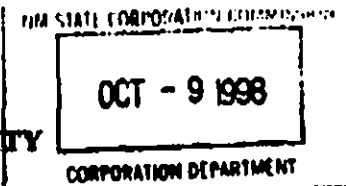
In Testimony Whereof, the State Corporation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the Seal of said Commission to be affixed at the City of Santa Fe




Chairman

Director

TYPE OR
FILE DUP

1965482



APPLICATION FOR CERTIFICATE OF AUTHORITY

The undersigned corporation applies for a Certificate of Authority to transact business in New Mexico under the Business Corporation Act, and for that purpose submits the following statement to the State Corporation Commission:

1. Its corporate name is K N TransColorado, Inc.

(Corporate name identical to name on attached Certificate of Good Standing and Compliance/Existence and is incorporated under the laws of Colorado)

2. If the corporate name does not contain the word "corporation," "company," "incorporated," or "limited," or an abbreviation of one of these words, then its corporate name with the word or abbreviation which it elects to add thereto for use in New Mexico is _____

3. The date of its incorporation is April 9, 1990 and the period of its duration, as stated in its articles of incorporation, is Perpetual

4. The street address, city and zip code of its registered office in its state or country of incorporation is 1550 Broadway, Denver, Colorado 80202
and the address, city, state and zip code of the principal office, if different from its address in the state or country of incorporation is: 370 Van Gordon, Lakewood, Colorado 80228

5. The name of its proposed registered agent and the registered office, street address (P.O. Box is unacceptable unless geographical location is given), city and zip code located in New Mexico are Corporation Service Company

121 East Palace Avenue, Santa Fe, New Mexico 87501

6. The purpose or purposes (at least one specific purpose must be stated) which it proposes to pursue in the transaction of business in New Mexico are: (ATTACH SCHEDULE, IF NEEDED)
To produce, purchase, acquire, gather, store, compress, transport, deliver, and sell natural gas in its own name or through partnerships or joint ventures with other parties.

7. The names and respective addresses of the officers and directors, who have consented to serve, are (ATTACH SCHEDULE, IF NEEDED)

See Attached

8. The aggregate number of shares which it had authority to issue, itemized by classes, and series, if any, within a class is: (ATTACH SCHEDULE, IF NEEDED)

10,000 Shares Common Stock \$1.00 Par Value

799 2488

9. The aggregate number of its issued shares, itemized by classes and by series, if any, within a class is: (ATTACH SCHEDULE, IF NEEDED)

10,000 common stock, par value of \$1.00

10. An estimate expressed in dollars of 100%

(a) the gross amount of business which will be transacted by it during its current fiscal year at or from places of business located in New Mexico is:

\$1,150,000

(b) the gross amount of business which will be transacted by it during such year, wherever transacted, is:

\$1,150,000

(c) the value of all property to be owned by it and located in New Mexico during such year, is:

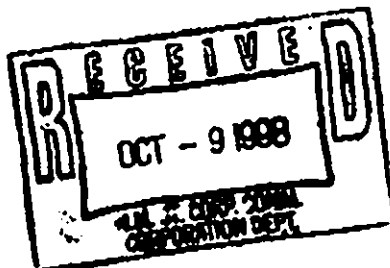
\$6,500,000

(d) the value of all property to be owned by it during such year, wherever located, is:

\$6,750,000

11. This application is accompanied by the following documents: a) an original Certificate of Good Standing and Compliance, or the equivalent thereof, issued by the appropriate official, who is the custodian of the records in-so-far as they pertain to its incorporation, of the state or country under the laws of which the filing corporation is incorporated; b) and an affidavit executed by the designated registered agent in which the individual agent acknowledges his acceptance of the appointment by the filing corporation, or an affidavit executed by the president or vice-president of a corporation (other than the filing corporation) which is the designated registered agent in which the officer acknowledges the corporation's acceptance of the appointment by the filing corporation as its registered agent, if the agent is a corporation. The Certificate of Good Standing and Compliance, for the filing corporation, is current within thirty days or has not expired upon submission to the Commission.

Date: October 7, 1998



K N TransColorado, Inc.

(Corporate Name)

By Julian W. Hughes
and Michael R. Ruckelshaus

Under penalties of perjury, I declare and affirm that I am one of the above corporate officers who signed the foregoing document executed by the corporation, and that the statements contained therein are true and correct to the best of our knowledge.

Julian W. Hughes
(One of the above officers signs)

(FILE DUPLICATE ORIGINALS)

799 2439

**K N TransColorado
Directors and Officers**

Directors:

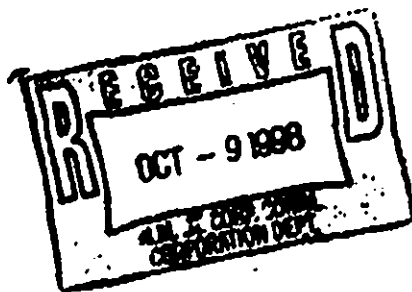
Larry D. Hall
H. Rickey Wells
Clyde E. McKenzie

Officers:

H. Rickey Wells
James McElligott
Anna Cochran
Mike Crisman
Richard FitzGerald
David Nightingale
Clyde E. McKenzie
David Rics
Julian Huzyk
Rose Robeson
Martha B. Wyrsh
Emery Biro
Maureen Bulkley
Linda L. Finley
Neil Maloney
Michael S. Richards

President & Chief Operating Officer
Senior Vice President
Vice President
Vice President
Vice President
Vice President
Vice President
Vice President
Vice President
Vice President
Vice President & Treasurer
Vice President & Secretary
Assistant Secretary
Assistant Secretary
Assistant Secretary
Assistant Secretary
Assistant Secretary

Address:
370 Van Gordon
Lakewood, CO 80228



799 2440



STATE OF COLORADO

DEPARTMENT OF
STATE

CERTIFICATE

I, VICTORIA BUCKLEY, SECRETARY OF STATE OF THE STATE OF
COLORADO HEREBY CERTIFY THAT

ACCORDING TO THE RECORDS OF THIS OFFICE

K N TRANSCOLORADO, INC.
(COLORADO CORPORATION)

FILE # 19901027777 WAS FILED IN THIS OFFICE ON April 09, 1990
AND HAS COMPLIED WITH THE APPLICABLE PROVISIONS OF THE
LAWS OF THE STATE OF COLORADO AND ON THIS DATE IS IN GOOD
STANDING AND AUTHORIZED AND COMPETENT TO TRANSACT BUSINESS
OR TO CONDUCT ITS AFFAIRS WITHIN THIS STATE.

Dated: September 28, 1998

Victoria Buckley

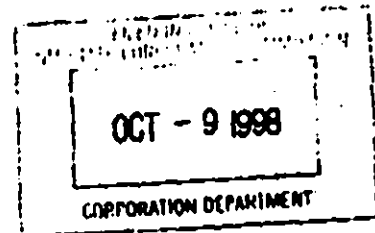
SECRETARY OF STATE

799 2443

**AFFIDAVIT OF ACCEPTANCE OF APPOINTMENT
BY DESIGNATED INITIAL REGISTERED AGENT**

To the State Corporation Commission
State of New Mexico

STATE OF COLORADO)
COUNTY OF DENVER) SS.:



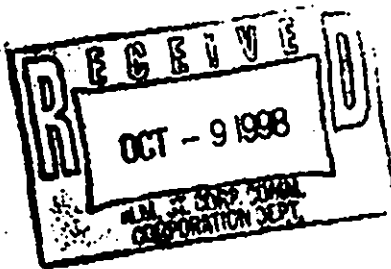
On this 8th day of October, 19 98, before me a Notary Public in and for the State and County aforesaid, personally appeared Kurt Plender, who is to me known to be the person who, being duly sworn, acknowledged to me that he does hereby accept his appointment as the Initial Registered Agent of K N TransColorado, Inc.

K N TransColorado, Inc. a Foreign Corporation which is applying for a Certificate of Authority to transact business in the State of New Mexico pursuant to the provisions of the Business Corporation Act of the State of New Mexico.

Corporation Service Company

Registered Agent's Corporate Name

BY (1) Kurt Plender
Asst. Vice-President



Subscribed and sworn to before me on the day, month, and year first above set forth

Dorinda J. Moore
NOTARY PUBLIC
Commission Expires: 2-10-02

NOTE: (1) If the business is a corporation the affidavit must be executed by the President or Vice-President of the Corporation.

NMCCC-CD
FORM RA-2
(REV 8/83)



799 2441

TransColorado Gas Transmission Company

Exhibit C

Company Officials

DIRECTORS AND OFFICERS
OF
KINDER MORGAN TRANSCOLORADO, INC.
AND
KN TRANSCOLORADO, INC.

As of May 8, 2003

Directors

Name

Richard D. Kinder*
Michael C. Morgan*

Officers

Name

Office(s)

Richard D. Kinder*	Chairman
Rock Meyer**	President
C. Park Shaper*	Vice President, Chief Financial Officer and Treasurer
James McElligott***	Senior Vice President
T. J. Carroll**	Vice President (General Counsel - Natural Gas Resources)
Mike Crisman**	Vice President
Julian Huzyk**	Vice President
Michael C. Morgan*	Vice President
Joseph Listengart*	Vice President and Secretary
Debra Witges*	Vice President
Bentley Breland**	Vice President
Richard Bullock*	Vice President and Chief Tax Officer
Jack Ellis*	Vice President, Controller – Financial Reporting and Accounting
Skip Simmons*	Vice President – Strategic Planning
Ron Brown*	Vice President – Storage Management & System Design
Dwayne Burton*	Vice President – Operations & Engineering
Jordan Hunter*	Vice President – Project Management
Ron McClain*	Vice President – Technical & Engineering Services
Dave Carland**	Assistant Treasurer
Denise Martinez*	Assistant Treasurer
James Falk**	Assistant Treasurer
Emery Biro, III*	Assistant Secretary

Maureen Bulkley**
Dick Sears**

Assistant Secretary
Assistant Secretary

Address for Directors and Officers:

*

One Allen Center
500 Dallas Street, Suite 1000
Houston, TX 77002

**

370 Van Gordon Street
Lakewood, CO 80228-8304

747 East 22nd Street
Lombard, IL 60148-5072

TransColorado Gas Transmission Company

Exhibit D

Subsidiaries and Affiliation

Subsidiaries and Affiliation (August 2003)

<u>Entity Name</u>	<u>Owner</u>	<u>Percentage</u>
Kinder Morgan, Inc.		
KN Cogeneration, Inc.	Kinder Morgan, Inc.	100
KMC Thermo, LLC	KN Cogeneration, Inc.	99
KN Thermo, LLC	KMC Thermo, LLC	100
KMC Thermo Holdings LLC	KMC Thermo, LLC	100
Thermo Salt Company LLC	KN Thermo, LLC	100
Glenwood Springs Salt Company, L.P.	Thermo Salt Company LLC	1 GP 89 LP
Cogeneration LLC	KN Thermo, LLC	100
Thermo Cogeneration Partnership, L.P.	Cogeneration LLC	1 GP 49 LP
Cogeneration Holdings LLC	KN Thermo, LLC	100
Thermo Greeley, LLC	KN Thermo, LLC	100
Valley Operating, Inc.	KN Cogeneration, Inc.	100
KN Telecommunications, Inc.	Kinder Morgan, Inc.	100
KN Gas Supply Services, Inc.	Kinder Morgan, Inc.	100
KN Thermo Acquisition, Inc.	Kinder Morgan, Inc.	100
Kinder Morgan Ft. Lupton Operator LLC	KN Thermo Acquisition, Inc.	100
Thermo Gas Marketing, Inc.	KN Thermo Acquisition, Inc.	100
Thermo Project Management, Inc.	KN Thermo Acquisition, Inc.	100
KN Natural Gas, Inc.	Kinder Morgan, Inc.	100
Red Rock Energy, LLC	KN Natural Gas, Inc.	100
Interenergy Corporation	Kinder Morgan, Inc.	100
Wildhorse Energy, LLC	Interenergy Corporation	55
Kinder Morgan Power Company	Kinder Morgan, Inc.	100
FR Holdings, LLC	Kinder Morgan Power Company	100
Front Range Energy Associates, LLC	FR Holdings, LLC	50
Lake Power LLC	Kinder Morgan Power Company	100
Wrightsville Power Facility LLC	Kinder Morgan Power Company	49
Kinder Morgan Michigan, LLC	Kinder Morgan Power Company	100
Kinder Morgan Michigan Pipeline LLC	Kinder Morgan Michigan, LLC	100
Kinder Morgan Kansas, LLC	Kinder Morgan Power Company	100
Kinder Morgan Illinois, LLC	Kinder Morgan Power Company	100
Kinder Morgan Missouri, LLC	Kinder Morgan Power Company	100
Kinder Morgan Power Partners, LLC	Kinder Morgan Power Company	100
Kinder Morgan Georgia, LLC	Kinder Morgan Power Company	100
Kinder Morgan Virginia LLC	Kinder Morgan Power Company	100
BetaGen Power LLC	Kinder Morgan Power Company	100
KM Turbine Facility #6 LLC	Kinder Morgan Power Company	100
KM Turbine Facility #7 LLC	Kinder Morgan Power Company	100
Kinder Morgan Operator LLC	Kinder Morgan Power Company	100
Kinder Morgan Michigan Operator LLC	Kinder Morgan Operator LLC	100
Kinder Morgan Michigan Servicer LLC	Kinder Morgan Power Company	100
Kinder Morgan Michigan Contractor LLC	Kinder Morgan Power Company	100
Kinder Morgan Michigan Developer LLC	Kinder Morgan Power Company	100
Triton Power Company LLC	Kinder Morgan Power Company	100
Triton Power Michigan LLC	Triton Power Company LLC	100
Kinder Morgan Arkansas LLC	Kinder Morgan Power Company	100
Kinder Morgan Oklahoma LLC	Kinder Morgan Power Company	100

Subsidiaries and Affiliation (August 2003)

<u>Entity Name</u>	<u>Owner</u>	<u>Percentage</u>
Kinder Morgan Alabama LLC	Kinder Morgan Power Company	100
KN TransColorado, Inc.	Kinder Morgan, Inc.	100
TransColorado Gas Transmission Company	KN TransColorado, Inc.	50
	Kinder Morgan TransColorado, Inc.	50
Kinder Morgan TransColorado LLC	Kinder Morgan, Inc.	100
Kinder Morgan TransColorado, Inc.	Kinder Morgan TransColorado LLC	100
KN Wattenberg Transmission Limited Liability Company	Kinder Morgan, Inc.	100
Slurco Corporation	Kinder Morgan, Inc.	100
Rocky Mountain Natural Gas Co.	Kinder Morgan, Inc.	100
Kinder Morgan Foundation	Kinder Morgan, Inc.	100
Western Slope Energy Services, LLC	Kinder Morgan, Inc.	100
KN Gas Gathering, Inc.	Kinder Morgan, Inc.	100
MidCon Corp.	Kinder Morgan, Inc.	100
MidCon Gas Services Corp.	MidCon Corp.	100
MCN Gulf Processing Corp.	MidCon Corp.	100
Natural Gas Pipeline Company of America	MidCon Corp.	100
NGPL Canyon Compression Co.	Natural Gas Pipeline Company of America	100
Canyon Creek Compression Company	NGPL Canyon Compression Co.	70
Horizon Pipeline Company, LLC	Natural Gas Pipeline Company of America	50
KN Management Corp.	MidCon Corp.	100
MidCon Mexico Pipeline Corp.	MidCon Corp.	100
KN Energy International, Inc.	Kinder Morgan, Inc.	100
Administracion y Operacion de Infraestructura, S.A. de C.V.	Kinder Morgan, Inc.	4.3
	KN Energy International, Inc.	95.7
GNN Servicios, S. de R.L. de C.V.	KN Energy International, Inc.	99.9
	Kinder Morgan, Inc.	0.1
KM International Services, Inc.	KN Energy International, Inc.	100
Gas Natural del Noroeste, S.A. de C.V.	KN Energy International, Inc.	29
	Kinder Morgan, Inc.	71
Kinder Morgan Energy Partners, L.P.		
Kinder Morgan G.P., Inc.	Kinder Morgan, Inc.	100
Kinder Morgan Energy Partners, L.P.	Kinder Morgan G.P., Inc.	
		Common Units
		1 GP
Kinder Morgan Operating L.P. "A" 1/	Kinder Morgan Energy Partners, L.P.	100
Tejas Gas, LLC	Kinder Morgan Operating L.P. "A"	100
Hydrocarbon Development, LLC	Tejas Gas, LLC	100
Stellman Transportation, LLC	Hydrocarbon Development, LLC	100
Tejas Gas Systems, LLC	Hydrocarbon Development, LLC	100
Tejas-Gulf, LLC	Hydrocarbon Development, LLC	100
Valley Gas Transmission, LLC	Hydrocarbon Development, LLC	100
Gulf Energy Gas, LLC	Hydrocarbon Development, LLC	100
Gulf Energy Gathering & Processing, LLC	Hydrocarbon Development, LLC	100
East Texas Industrial Gas, LLC	Tejas Gas, LLC	100
Gulf Energy Marketing, LLC	Tejas Gas, LLC	100

Subsidiaries and Affiliation (August 2003)

<u>Entity Name</u>	<u>Owner</u>	<u>Percentage</u>
Tejas-Paz JV	Gulf Energy Marketing, LLC	100
Kinder Morgan Gas Pipelines GP, Inc.	Tejas Gas, LLC	100
KM Gas Pipelines LP, LLC	Tejas Gas, LLC	100
Kinder Morgan Ship Channel Pipelines, LP	Kinder Morgan Gas Pipelines GP, Inc.	1 GP
	KM Gas Pipelines LP, LLC	99 LP
Kinder Morgan Border Pipeline, LP	Kinder Morgan Gas Pipelines GP, Inc.	1 GP
	KM Gas Pipelines LP, LLC	99 LP
Kinder Morgan Pipeline Services of Mexico S. de R.L. de C.V.	Tejas Gas, LLC	0.4
	Kinder Morgan Border Pipeline, LP	99.6
Kinder Morgan South Texas Pipeline, LP	Kinder Morgan Gas Pipelines GP, Inc.	1 GP
	KM Gas Pipelines LP, LLC	99 LP
Tejas Natural Gas, LLC	Tejas Gas, LLC	100
Kinder Morgan Tejas Pipeline GP, Inc.	Tejas Natural Gas, LLC	100
Tejas Energy Partner, LLC	Tejas Natural Gas, LLC	100
Kinder Morgan Tejas Pipeline, LP	Kinder Morgan Tejas Pipeline GP, Inc.	1 GP
	Tejas Energy Partner, LLC	99 LP
Valtrans System JV	Kinder Morgan Tejas Pipeline, L.P.	50
Dorsey Unit, LLC	Kinder Morgan Operating L.P. "A"	100
Kinder Morgan Texas Pipeline GP, Inc.	Kinder Morgan Operating L.P. "A"	100
Kinder Morgan North Texas Pipeline, L.P.	Kinder Morgan Texas Pipeline GP, Inc.	1 GP
	KM Gas Pipelines LP, LLC	99 LP
Kinder Morgan West Texas Pipeline, L.P.	Kinder Morgan Texas Pipeline GP, Inc.	1 GP
	KM Gas Pipelines LP, LLC	99 LP
Kinder Morgan NGL, L.P.	Kinder Morgan Texas Pipeline GP, Inc.	1 GP
	KM Gas Pipelines LP, LLC	99 LP
Kinder Morgan Texas Pipeline, L.P.	Kinder Morgan Texas Pipeline GP, Inc.	1 GP
	KM Gas Pipelines LP, LLC	99 LP
Kinder Morgan Texas Gas Services LLC	Kinder Morgan Texas Pipeline, L.P.	100
MidTex Gas Storage Company, LLP	Kinder Morgan Texas Pipeline, L.P.	49
	Kinder Morgan NGL, L.P.	19
Kinder Morgan Gas Natural de Mexico S. de R.L. de C.V.	Kinder Morgan Operating L.P. "A"	99.996
Coyote Gas Treating Limited Liability Co.	Kinder Morgan Operating L.P. "A"	50
Kinder Morgan Canada Company	Kinder Morgan Operating L.P. "A"	100
Cochin Pipeline Co.	Kinder Morgan Canada Company	45
	Kinder Morgan Operating L.P. "A"	Canadian Interest 45
		U.S. Interest
Thunder Creek Gas Services, L.L.C.	Kinder Morgan Operating L.P. "A"	25
Silver Canyon Pipeline LLC	Kinder Morgan Operating L.P. "A"	100
KMTP LLC	Kinder Morgan Operating L.P. "A"	100
Plantation Pipe Line Company	Kinder Morgan Operating L.P. "A"	24
	Kinder Morgan Operating L.P. "D"	27
Plantation Services, LLC	Plantation Pipe Line Company	27
	Kinder Morgan Operating L.P. "D"	51
Kinder Morgan Interstate Gas Transmission LLC	Kinder Morgan Operating L.P. "A"	100

Subsidiaries and Affiliation (August 2003)

<u>Entity Name</u>	<u>Owner</u>	<u>Percentage</u>
Kinder Morgan Trailblazer, LLC	Kinder Morgan Operating L.P. "A"	100
CGT Trailblazer, LLC	Kinder Morgan Operating L.P. "A"	100
John McCrory, LLC	Kinder Morgan Operating L.P. "A"	100
CIG Trailblazer Gas Company, L.L.C.	Kinder Morgan Operating L.P. "A"	100
Trailblazer Pipeline Company	Kinder Morgan Trailblazer LLC	33.3
	CGT Trailblazer, LLC	33.3
	John McCrory, LLC	33.3
Kinder Morgan Transmix Company, LLC	Kinder Morgan Operating L.P. "A"	100
Red Cedar Gathering Company	Kinder Morgan Operating L.P. "A"	49
Heartland Pipeline Company	Kinder Morgan Operating L.P. "A"	50
Sonoran Pipeline LLC	Kinder Morgan Energy Partners, L.P.	50
Kinder Morgan Operating L.P. "B" 1/	Kinder Morgan Energy Partners, L.P.	100
Kinder Morgan Operating L.P. "C" 1/	Kinder Morgan Energy Partners, L.P.	100
Kinder Morgan Bulk Terminals, Inc.	Kinder Morgan Operating L.P. "C"	100
Milwaukee Bulk Terminals, Inc.	Kinder Morgan Bulk Terminals, Inc.	100
Dakota Bulk Terminal, Inc.	Kinder Morgan Bulk Terminals, Inc.	100
Western Plant Services, Inc.	Kinder Morgan Bulk Terminals, Inc.	100
Globalplex Partners, Joint Venture	Kinder Morgan Bulk Terminals, Inc.	50
Portland Bulk Terminals, LLC	Kinder Morgan Bulk Terminals, Inc.	10
Post Arthur Bulk Terminal	Kinder Morgan Bulk Terminals, Inc.	20
River Consulting, Inc.	Kinder Morgan Bulk Terminals, Inc.	100
River Engineered Systems, Inc.	River Consulting, Inc.	100
KMBT LLC	Kinder Morgan Bulk Terminals, Inc.	100
HBM Environmental, Inc.	KMBT LLC	100
Pinney Dock & Transport LLC	KMBT LLC	100
Delta Terminal Services LLC	KMBT LLC	100
Queen City Terminals, Inc.	Delta Terminal Services LLC	100
Paddy Ryan Crane, LLC	Kinder Morgan Bulk Terminals, Inc.	100
Frank L. Crane, LLC	Kinder Morgan Bulk Terminals, Inc.	100
Agnes B. Crane, LLC	Kinder Morgan Bulk Terminals, Inc.	100
Emory B. Crane, LLC	Kinder Morgan Bulk Terminals, Inc.	100
KM Crane, LLC	Kinder Morgan Bulk Terminals, Inc.	100
International Marine Terminals	Kinder Morgan Operating L.P. "C"	66.6
Kinder Morgan Liquids Terminals St.		
Gabriel LLC	Kinder Morgan Operating L.P. "C"	100
ICPT, LLC	Kinder Morgan Operating L.P. "C"	100
MJR Operating LLC	Kinder Morgan Operating L.P. "C"	100
Kinder Morgan Port Manatee Terminal LLC	Kinder Morgan Operating L.P. "C"	100
Kinder Morgan Port Terminals USA LLC	Kinder Morgan Operating L.P. "C"	100
Kinder Morgan Port Sutton Terminal LLC	Kinder Morgan Operating L.P. "C"	100
Elizabeth River Terminals LLC	Kinder Morgan Port Terminals USA LLC	100
Nassau Terminals LLC	Kinder Morgan Port Terminals, USA LLC	100
Fernandina Marine Construction		
Management LLC	Nassau Terminals LLC	100
Kinder Morgan Operating L.P. "D" 1/	Kinder Morgan Energy Partners, L.P.	100
SFPP, L.P.	Kinder Morgan Operating L.P. "D"	99.5 GP
	Santa Fe Pacific Pipelines, Inc.	0.5
Kinder Morgan Energy Partners &		
Cardlock, LLC	SFPP, L.P.	50

**Subsidiaries and Affiliation
(August 2003)**

<u>Entity Name</u>	<u>Owner</u>	<u>Percentage</u>
Colton Processing Facility	SFPP, L.P.	50
Kinder Morgan Liquids Terminals LLC	Kinder Morgan Operating L.P. "D"	50
Kinder Morgan Tank Storage Terminals LLC	Kinder Morgan Operating L.P. "D"	100
Central Florida Pipeline LLC	Kinder Morgan Liquids Terminals LLC	100
Kinder Morgan 2-Mile LLC	Kinder Morgan Liquids Terminals LLC	100
Southwest Florida Pipeline LLC	Kinder Morgan Liquids Terminals LLC	100
Rahway River Land LLC	Kinder Morgan Liquids Terminals LLC	100
Kinder Morgan Southeast Terminals LLC	Kinder Morgan Liquids Terminals LLC	100
Kinder Morgan Materials Services, LLC	Kinder Morgan Liquids Terminals LLC	100
Kinder Morgan Pipeline LLC	Kinder Morgan Operating L.P. "D"	100
Kinder Morgan Las Vegas LLC	Kinder Morgan Pipeline LLC	100
Calnev Pipe Line LLC	Kinder Morgan Pipeline LLC	100
Kinder Morgan CO2 Company, L.P. 1/	Kinder Morgan Energy Partners, L.P.	100
Cortez Pipeline Company	Kinder Morgan CO2 Company, L.P.	50
Cortez Capital Corporation	Cortez Pipeline Company	100
Kinder Morgan SACROC GP LLC	Kinder Morgan CO2 Company, L.P.	100
KM SACROC LP LLC	Kinder Morgan CO2 Company, L.P.	100
Kinder Morgan SACROC LP	Kinder Morgan SACROC GP LLC	1 GP
	KM SACROC LP LLC	99 LP

1/ Kinder Morgan G.P., Inc. owns a 1.0101% general partner interest in these entities and Kinder Morgan Energy Partners, L.P. owns a 98.9899% limited partner interest in these entities.

TransColorado Gas Transmission Company

Exhibit H

Total Gas Supply Data

Total Gas Supply Data

Exhibit H

The TransColorado Gas Transmission Company ("TransColorado") compression expansion will be supplied primarily by the developing natural gas supply resource in the Piceance basin of Western Colorado. Piceance basin supplies are currently constrained by a lack of pipeline capacity to markets. That market outlet constraint is increasing as significant development drilling programs are currently underway in the Piceance basin. Development drilling programs underway in the Paradox and Uinta basins also contribute directly to the need for the TransColorado expansion.

Per the first quarter 2003, Lippman Consulting, Inc. ("LCI") Rocky Mountain Region Production Report, natural gas production in the 1st quarter of 2003 averaged 7,535 MMcf/d. Although this is about 300 MMcf/d less than the previous quarter, this is the fifth straight quarter where the average daily production rate was over 7 Bcf/d. It also is the second highest quarterly volume to date. In general average daily production in the Rocky Mountain Region has increased each year since 1989; however, the size of the increases has become larger during the last three years. For the 10-year period between 1989 and 1999 the increases in annual average production were 300 MMcf/d or less; since 1999 these increases have been significantly larger, averaging over 500 MMcf/d. The total production growth from 1999 to 2002 has been almost 1.9 Bcf/d or an average increase of almost 9% per year. TransColorado's compression expansion will provide a critically important transport outlet from the Rocky Mountain region to the Southwest market place.

LCI reports that current production in the Piceance basin is estimated at 443 MMcf/d an increase of 24 MMcf/d from 2002. LCI reported a 5% increase in "wells first delivered" in the Piceance basin from 297 wells in 2001 to 313 wells in 2002. The Potential Gas Agency ("PGA") of the Colorado School of Mines in their 2002 Potential Supply of Natural Gas report estimates Uinta/ Piceance basin probable resources as of December 31, 2002, at a minimum of 4,050 Bcf to a maximum of 30,426 Bcf, most likely at 14,568 Bcf, for drill tests to depths of 15,000 ft.

Uinta and Piceance Basins Supply Potential

PGA reports that the Uinta and Piceance basins are significant because no more than one-third of the potentially productive area has been adequately tested through the Cretaceous section. Further the PGA reports that:

Although activity has begun to target this interval, Cretaceous objectives remain virtually undrilled in the Uinta basin, and large areas of potential Tertiary and Cretaceous reservoirs await testing in the Piceance basin. Inasmuch as tight (low-permeability) sandstones characterize these two basins, closely spaced infill drilling eventually will be necessary to develop fully the resources. The boundaries of known fields likely will coalesce with extension drilling.

Overall, for year-end 2002 the total estimate for shallow resources for the basins was revised slightly downward from 31,020 Bcf to 30,657 Bcf, as a result of an

increase in Probable resources offset by declines in Possible and Speculative resources. The total deep estimate was unchanged at 1,000 Bcf.

Drilling activity remained robust in the Piceance basin during the past two years. Infill drilling programs (at 20 acres) in the Williams Fork Formation (Mesaverde Group) have been among the most active targets. During 2000 and 2001, 229 and 245 total wells, respectively, were completed. Of these, 84 percent were completed in the Williams Fork. Production from that formation continues to increase and now accounts for 70 percent of the basin's gas output. Total gas production is approaching 340 MMcfd and continues to increase at an annual rate of about 10 percent.

More recently Williams Production RMT Company has obtained approval to infill on 10 acre spacing in two Piceance basin producing fields in Garfield County. Williams Production RMT Company and EnCana Oil & Gas are the predominant producers in the Piceance Basin representing over 80% of the over 400 MMcfd of natural gas production developed to date. Exxon/Mobil has recently initiated a combined exploration and development program in the Love Ranch and Piceance Creek fields. Tom Brown has actively developed the White River Dome field, Rio Blanco County, Colorado with current production at approximately 30 MMcfd.

Paradox Basin Supply Potential

From the PGA, "The Paradox Basin province occupies most of southeastern Utah and part of southwestern Colorado and contains three major oil and gas producing regions; Paradox basin proper, the Uncompahgre Uplift and the San Rafael Swell." Tom Brown, Inc. and Cabot Oil & Gas Company are both actively drilling the Colorado portion of this basin. Collectively they currently produce approximately 50 million cubic feet of natural gas a day from this basin. From the PGA, "The gas play in the Paradox basin is extensive and involves the entire eastern one-third of the basin from the book Cliffs in Utah to the Hogback Monocline in New Mexico. Objectives in this play lie both above and below 15,000 ft drilling depths." LCI reports current levels of production from the Paradox basin as 51 MMcf/d, an increase of 18 MMcf/d from 2002 and annual "wells first delivered" have increased to 11 from 1 in 1998.

Therefore given the current levels of production coupled with the potential reserves and the producer development drilling programs underway there is an abundant natural gas supply to support the TransColorado compression expansion.

TransColorado Gas Transmission Company

Exhibit K

Cost of Facilities

ESTIMATED COST OF CERTIFICATED FACILITIES
(Summary of Project Estimates)
TransColorado 125,000 Dkt/D Expansion Filing
Dolores, Mesa, Montezuma and Montrose Counties, Colorado

<u>Description</u>	<u>Total Cost</u>
ROW - Land	\$ 155,000
ROW - Damages	\$ 62,500
Survey	\$ 8,800
Materials	\$ 13,637,987
Contract Labor	\$ 6,679,702
Engineering and Inspection	\$ 1,650,475
Company Labor	\$ 888,020
Line Pack	\$ 181,510
Sales Tax	\$ 694,031
Freight	\$ 350,006
Contingencies	\$ 1,540,741
Overheads	\$ 2,000,000
Legal	\$ 445,000
AFUDC	\$ 282,894
Total 7c	<u>\$ 28,576,666</u>
2.55(a) Facilities Cost	<u>\$ 3,922,206</u>
Grand Total	<u>\$ 32,498,872</u>

ESTIMATED COST OF CERTIFICATED FACILITIES
(Summary of Project Estimates)
TransColorado 125,000 Dkt/D Expansion Filing
Dolores, Mesa, Montezuma and Montrose Counties, Colorado

ALL SEGMENT COSTS

Description:	Whitewater	Olathe	Redvale	Dolores	Mancos	
County:	Mesa	Montrose	Montrose	Dolores	Montezuma	
State:	Colorado	Colorado	Colorado	Colorado	Colorado	
Units:	1		1	1	2	
Site Rated HP:	4233 HP		3981 HP	2900 HP	5794 HP	<u>Totals</u>
ROW - Land	\$ 51,666	\$ -	\$ 51,667	\$ -	\$ 51,667	\$ 155,000
ROW - Damages	\$ 20,833	\$ -	\$ 20,833	\$ -	\$ 20,834	\$ 82,500
Survey	\$ 2,200	\$ -	\$ 2,200	\$ 2,200	\$ 2,200	\$ 8,800
Materials	\$ 3,229,045	\$ -	\$ 3,229,046	\$ 2,300,617	\$ 4,879,279	\$ 13,637,987
Contract Labor	\$ 1,489,856	\$ 396,000	\$ 1,555,604	\$ 981,430	\$ 2,256,812	\$ 6,679,702
Engineering and Inspection	\$ 467,925	\$ -	\$ 361,625	\$ 464,300	\$ 356,625	\$ 1,650,475
Company Labor	\$ 231,505	\$ -	\$ 231,505	\$ 193,505	\$ 231,505	\$ 888,020
Line Pack	\$ 39,895	\$ -	\$ 58,030	\$ 5,000	\$ 78,585	\$ 181,510
Sales Tax	\$ 195,758	\$ -	\$ 155,807	\$ 63,505	\$ 278,961	\$ 694,031
Freight	\$ 82,672	\$ -	\$ 82,672	\$ 59,200	\$ 125,462	\$ 350,006
Contingencies	\$ 358,618	\$ 65,759	\$ 417,149	\$ 214,728	\$ 484,487	\$ 1,540,741
Overheads						\$ 2,000,000
Legal	\$ 88,333	\$ 65,000	\$ 128,333	\$ 75,000	\$ 88,334	\$ 445,000
AFUDC	\$ 69,981	\$ 5,819	\$ 70,470	\$ 41,364	\$ 95,240	\$ 282,894
Total 7c	\$ 6,328,287	\$ 532,578	\$ 6,364,941	\$ 4,400,869	\$ 8,949,991	\$ 28,576,666
Total 2.55(a) Facilities Cost	\$ 1,022,975	\$ 830,920	\$ 1,037,227	\$ -	\$ 1,031,084	\$ 3,922,206
Grand Total	\$ 7,351,262	\$ 1,363,498	\$ 7,402,168	\$ 4,400,869	\$ 9,981,075	\$ 32,498,872

TransColorado Gas Transmission Company

Exhibit N

Revenues-Expenses-Income

TransColorado Gas Transmission Company
Revenues - Expenses - Income

Docket No. CP04-_____
EXHIBIT N
Page 1 of 6

Exhibit N demonstrates the incremental revenues as well as the cost of service applicable to the proposed facilities. TransColorado is proposing rolled -in rate treatment as is supported in this Exhibit N as well as in Exhibit Z-1.

TransColorado Gas Transmission Company
Rate Base and Return
First Three Years of Operation

Docket No. CP04-_____
EXHIBIT N
Page 2 of 6

<u>Line No.</u>	<u>Description</u> (a)	<u>Year 1</u> (b)	<u>Year 2</u> (c)	<u>Year 3</u> (d)
<u>Rate Base:</u>				
1	Gross Plant 1/	\$ 32,498,872	\$ 32,498,872	\$ 32,498,872
2	Accumulated Depreciation 2/	1,296,705	2,593,410	3,890,115
3	Net Plant [Ln 1 - Ln 2]	\$ 31,202,167	\$ 29,905,462	\$ 28,608,757
4	Accumulated Deferred Income Tax 3/	\$ 5,992,275	\$ 6,086,155	\$ 6,121,360
5	Total Rate Base [Ln 3 - Ln 4]	\$ 25,209,892	\$ 23,819,307	\$ 22,487,397
 <u>Capitalization and Rate of Return 4/</u>				
6	Return on Equity	13.25%	30.00%	3.98%
7	Return on Debt	7.25%	70.00%	5.08%

1/ See Exhibit K, Page 1 of 2.

2/ See Exhibit N, Page 4 of 6.

3/ See Exhibit N, Page 5 of 6.

4/ Per Commission-approved Settlement in Docket No. RP99-106.

TransColorado Gas Transmission Company
Cost of Service
First Three Years of Operation

Docket No. CP04-_____
EXHIBIT N
Page 3 of 6

<u>Line No.</u>	<u>Description</u> (a)	<u>Year 1</u> (b)	<u>Year 2</u> (c)	<u>Year 3</u> (d)	<u>3 Yr Average</u> (e)
	<u>Cost of Service:</u>				
1	Operating Expense	\$ 1,207,452	\$ 996,476	\$ 1,026,370	\$ 1,076,766
2	Ad Valorem Taxes 1/	649,977	649,977	649,977	649,977
3	Payroll Taxes 2/	28,829	29,694	30,584	29,702
4	Return on Equity	1,002,093	946,817	893,874	947,595
5	Return on Debt	1,279,402	1,208,830	1,141,235	1,209,822
6	State Income Taxes 3/	74,845	70,717	66,762	70,775
7	Federal Income Taxes 3/	539,589	509,825	481,317	510,243
8	Depreciation Expense 4/	1,296,705	1,296,705	1,296,705	1,296,705
9	Total Cost of Service	\$ 6,078,892	\$ 5,709,040	\$ 5,586,825	\$ 5,791,586

1/ Ad Valorem Taxes are base on an overall tax rate of 2% multiplied by Gross Plant.

2/ Payroll Taxes are based on payroll tax rate of 7.8% multiplied by the amount of labor expense.

3/ Income Tax amounts are based on the State Income Tax rate of 4.63% and the Federal Income Tax rate of 35%, for an overall blended rate of 38.01%.

4/ See Exhibit N, Page 4 of 6.

TransColorado Gas Transmission Company
Book Depreciation Expense and ADDA
First Three Years of Operation

Docket No. CP04-_____
EXHIBIT N
Page 4 of 6

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Year 1</u> (b)	<u>Year 2</u> (c)	<u>Year 3</u> (d)
	<u>Book Depreciation and ADDA:</u>			
1	Beginning Plant	32,498,872	32,498,872	32,498,872
2	Additions	-	-	-
3	Ending Plant	32,498,872	32,498,872	32,498,872
4	Book Depreciation @ 3.99% per year 1/	1,296,705	1,296,705	1,296,705
5	Accumulated Book Depreciation (ADDA)	1,296,705	2,593,410	3,890,115
6	Net Plant [Ln 3 - Ln 5]	31,202,167	29,905,462	28,608,757

1/ Per Commission-approved Settlement in Docket No. RP99-106.

TransColorado Gas Transmission Company
Tax Depreciation and Deferred Income Taxes
First Three Years of Operation

Docket No. CP04-_____
EXHIBIT N
Page 5 of 6

<u>Line No.</u>	<u>Description</u> (a)	<u>Year 1</u> (b)	<u>Year 2</u> (c)	<u>Year 3</u> (d)
<u>Tax Depreciation and Deferred Income Taxes:</u>				
7	Beginning Plant	32,498,872	32,498,872	32,498,872
8	Additions	-	-	-
9	Ending Plant	32,498,872	32,498,872	32,498,872
10	Tax Depreciation 1/	17,061,908	1,543,696	1,389,327
11	Accumulated Tax Depreciation	17,061,908	18,605,604	19,994,931
12	Net Tax Plant	15,436,964	13,893,268	12,503,941
13	Total Book Depreciation 2/	1,296,705	1,296,705	1,296,705
14	Total Tax Depreciation [Line 10 1/]	17,061,908	1,543,696	1,389,327
15	Deferred Income Tax [(Ln 14 - Ln13) * 38.01%]	5,992,275	93,880	35,205
16	Accumulated Deferred Income Tax	5,992,275	6,086,155	6,121,360

1/ Reflects application of MACRS 15 Yr (Half-year) convention with Bonus Depreciation.

2/ See Exhibit N, Page 4 of 6, Line 4.

**TransColorado Gas Transmission Company
Incremental Revenues vs. Cost of Service
First Three Years of Operation**

Docket No. CP04-_____
EXHIBIT N
Page 6 of 6

<u>Line No.</u>	<u>Description</u> (a)	<u>Year 1</u> (b)	<u>Year 2</u> (c)	<u>Year 3</u> (d)	<u>3 Yr Average</u> (e)
1	Incremental Revenues 1/	\$ 14,043,375	\$ 14,043,375	\$ 14,043,375	\$ 14,043,375
2	Incremental Cost of Service	<u>6,078,892</u>	<u>5,709,040</u>	<u>5,586,825</u>	<u>\$ 5,791,586</u>
3	Difference	<u>\$ 7,964,483</u>	<u>\$ 8,334,335</u>	<u>\$ 8,456,550</u>	<u>\$ 8,251,789</u>

1/ Reflects the currently effective 100% Load Factor Firm Transportation maximum rate of \$.3078 per Dth multiplied by the annual expansion volume of 45,625,000 Dth, which represents 125,000 Dth/day at a 100% load factor usage

TransColorado Gas Transmission Company

Exhibit O

Depreciation and Depletion

TransColorado Gas Transmission Company

Exhibit O

TransColorado is using a 3.99% book depreciation rate for the proposed transmission facilities. This reflects the book depreciation rate approved by the Commission in TransColorado's last general rate case settlement in Docket No. RP99-106. See Exhibit N, Page 4 of 6, Line 4.

TransColorado Gas Transmission Company

Exhibit Z-1

Additional Exhibit

TransColorado Gas Transmission Company
Net Revenue Benefit Test
First Three Years of Operation

Docket No. CP04-____
 EXHIBIT Z-1
 Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>3 Yr Avg</u>
	(a)	(b)	(c)	(d)	(e)
1	Annual Non-Gas Revenues 1/	\$ 14,043,375	\$ 14,043,375	\$ 14,043,375	14,043,375
2	Annual Fuel Collection 2/	\$ 1,469,134	\$ 1,469,134	\$ 1,469,134	\$ 1,469,134
3	Total Annual Revenue (Line 1 plus Line 2)	<u>\$ 15,512,509</u>	<u>\$ 15,512,509</u>	<u>\$ 15,512,509</u>	<u>\$ 15,512,509</u>
4	Annual Cost of Service 3/	\$ 6,078,892	\$ 5,709,040	\$ 5,586,825	\$ 5,791,586
5	Annual Fuel Costs 4/	\$ 4,491,405	\$ 4,491,405	\$ 4,491,405	\$ 4,491,405
6	Total Annual Costs (Line 4 plus Line 5)	<u>\$ 10,570,298</u>	<u>\$ 10,200,446</u>	<u>\$ 10,078,231</u>	<u>\$ 10,282,991</u>
7	Net Revenue Benefits (Line 3 minus Line 6)	<u>\$ 4,942,211</u>	<u>\$ 5,312,063</u>	<u>\$ 5,434,278</u>	<u>\$ 5,229,518</u>

1/ See Exhibit N, Page 6 of 6, Line 1.

2/ This reflects the projected fuel revenue collection based on the pre-existing fuel use assuming a \$4.02 per Dth price of gas.

3/ See Exhibit N, Page 3 of 6, Line 9.

4/ This reflects the projected fuel cost based on estimated expansion fuel use assuming a \$4.02 per Dth price of gas.