

COLORADO NATURAL GAS, INC.

P.O. Box 270868
Littleton, CO 80127

CO PUC No. 2

Cancels Second Revised Sheet No. 29
First Revised Sheet No. 29

**NATURAL GAS RATES
GAS SERVICE LOW-INCOME PROGRAM**

Low Income Program

All rate schedules for natural gas service are subject to a Customer Assistance Program ("CAP") program fee designed to recover the direct costs of the Low-Income Program. In accordance with Commission-approved Low Income Program and Rule 4412 of the Commission's Rules Regulating Gas Utilities and Pipeline Operators, 4 Code of Colorado Regulations 723-4 ("Low Income Program Rules"). The CAP shall apply as a monthly fixed fee for all residential and commercial rate schedules.

The CAP is a program designed to provide heating energy assistance to eligible CNG customer households in the form of bill credits in conjunction with Low Income Energy Assistance Program ("LEAP"), and arrearage forgiveness. This program is available to all CNG residential customers who meet certain Department of Health and Human Services ("DHS") and Colorado Natural Gas ("the Company") eligibility requirements.

Applicability

Pursuant to Rule 4412, the CAP has been designed to provide residential customers of the Company who meet certain eligibility criteria with assistance in paying their monthly natural gas heating bills. Customers must complete the LEAP program application and agree to all terms and conditions within the CAP program tariff. Households must meet the required Federal Poverty criteria.

Customers will be enrolled in the program upon receipt of a completed application, including authorization of the utility to share information with LEAP and Energy Outreach Colorado.

CAP is available until such time as program funds are depleted. The Company reserves the right to close or modify the program without prior notice.

Advice Letter Number _____

/s/ Kurt Adams

Issue Date November 7, 2019

Kurt W. Adams, President and Chief

Executive Officer

7810 Shaffer Parkway, Ste.120, Littleton, CO 80127

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COLORADO NATURAL GAS, INC.

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Second Revised Sheet No. 29A
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Definitions

Eligible low-income customer - A residential utility customer who meets the household income thresholds and is a LEAP participant

Non-participant - A utility customer who is not receiving low-income assistance under Rule 4412.

Participant - An eligible low-income residential utility customer who participates in the low-income assistance program under Rule 4412.

DHS - The Colorado Department of Health and Human Services

Household – Includes all residents who live within a housing unit on a full time basis and receive natural gas service from Colorado Natural Gas.

LEAP -The Low-Income Energy Assistance program, a county-run, federally funded, program supervised by the Colorado Department of Human Services, Division of Low-Income Energy Assistance.

LEAP Participant Eligibility –Eligible participants are limited to those with a household income at or below 185 percent of the current federal poverty level and who otherwise meet the eligibility criteria set forth in rules of the Colorado Department of Human Services adopted pursuant to § 40-8.5-105, C.R.S.

Estimated Annual Income – The amount of income based on Federal Poverty Level and number of residents residing within a household.

Service Account – The account associated with an individual household for billing purposes.

Affordable Credit - The percentage determined to be an affordable amount of a households total income to be spent on home heating costs as defined by the households percent of poverty level

Commission – The Public Utilities Commission of the State of Colorado

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Cancels 5th Revised Sheet No. 29B

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Program Design

The CAP is a three tiered benefit system that provides benefits to eligible low-income residential customers. The program consists of a Company calculated bill credit, a LEAP credit, and an arrearage forgiveness component. The Company calculated credit will be applied as a single lump sum payment posted directly to a household's service account. The Company credit will be applied to household monthly balances first, with LEAP credits being applied second.

Colorado Natural Gas will pre-enroll eligible customers into the CAP Program who are enrolled in LEAP. Participation in CAP one year does not guarantee the ability to participate in subsequent years, nor does participation in one year give participants priority in subsequent years.

Pursuant to 4 CCR 723-4-4412 the CAP will be implemented as customer information based on income levels is attained from the state LEAP office.

The following sections detail program specifics.

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/s/ Kurt Adams

Kurt Adams, CEO

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5th Revised Sheet No. 29C

NATURAL GAS RATES
GAS SERVICE LOW-INCOME PROGRAM

Household Tier Placement

Upon enrollment in the CAP and receipt of information from the Colorado State LEAP office, each eligible household will be placed into one of three benefit tiers based on a combination of the estimated gross annual income as a percentage of the Federal Poverty Level and the number of full time residents that live within each household. The three benefit tiers are as follows:

Tier 1:

Households with an annual income at or below 75% of the Federal Poverty Level will be placed in the first benefit tier. Customers in this tier can have no more than 2% of income be deemed affordable for home heating costs.

Tier 2:

Households with an annual income exceeding 76% of the Federal Poverty Level but not exceeding 125% of the Federal Poverty Level will be placed in the second benefit tier. Customers in this tier can have no more than 2.5% of income be deemed affordable for home heating costs.

Tier 3:

Households with an annual income level that exceeds 126% of the Federal Poverty Level but does not exceed 185% of the Federal Poverty Level will be placed in the third benefit tier. Customers in this tier can have no more than 3% of income be deemed affordable for home heating costs.

The CAP program enrollment period coincides with the LEAP application period of November 1 through April 30 because the customers that qualify for LEAP receive CAP applications.

Pursuant to 4 CCR 723-4-4412 (e)(VI) all LEAP and CAP enrollees will be enrolled in the levelized budget billing program.

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Cancels 5th Revised Sheet No. 29D

NATURAL GAS RATES
GAS SERVICE LOW-INCOME PROGRAM

Company Credit Calculation

A percentage-of-income plan threshold will be used to calculate a participant credit based on household burdens of:

- Household income at or below 75% of Federal Poverty Level - no more than 2% of estimated annual heating bill will be deemed affordable T
- Household income exceeding 76% but at or below 125% of Federal Poverty Level - no more than 2.5% of estimated annual heating bill will be deemed affordable T
T
- Household income exceeding 126% but at or below 185% of Federal Poverty Level - no more than 3% of estimated annual heating bill will be deemed affordable T
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The Company shall be responsible for estimating an eligible participant's full annual bill for the purpose of determining the participant's credit.

Arrearage Credits

Pursuant to 4 CCR 723-4-4412(c)(I)(D), Arrearage credits shall be:

- a. Applied to pre-existing arrearages,
- b. Issued as a one-time credit on the customer's bill that reduce the participant's pre-existing arrearage to \$0.00 over a twelve (12) month period, and
- c. In compliance with the conditions outlined in the aforementioned Commission Rule.

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