





**COLORADO NATURAL GAS, INC.**  
 PO Box 270868  
 Littleton, CO 80127

CO PUC No. 1

Original \_\_\_\_\_ Sheet No. 82  
 \_\_\_\_\_ Sheet No. \_\_\_\_\_

NATURAL GAS RATES GAS SERVICE LOW-INCOME PROGRAM		N
		N
<u>Program Design</u>		N
		N
		N
<p>The CAP is a three tiered benefit system that provides benefits to eligible low-income residential customers. The program consists of three primary components; 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 LEAP credit will be posted to the household's service account when received from the State LEAP office. The Company credit will be applied to household monthly balances first, with LEAP credits being applied second. The arrearage forgiveness component of this program operates independently of the credit portion of the program.</p>		N
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<p>Eligible low-income residential customers must apply and be accepted every year into the CAP program. Participation in CAP one year does not guarantee the ability to participate in subsequent years, nor does participation in one year give participant's priority in subsequent years.</p>		N
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		N
<p>Pursuant to 4 CCR 723-4-4412(b) the CAP will be phased in over the course of three (3) years. The phase in schedule is as follows.</p>		N
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<p>Phase 1: Eligible households are limited to those with a household income at or below one hundred twenty-five percent (125%) of the current federal poverty level during the first year of operation.</p>		N
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<p>Phase 2: Eligible households are limited to those with a household income at or below one hundred fifty percent (150%) of the current federal poverty level during the second year of operation</p>		N
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		N
		N
<p>Phase 3: Eligible households are limited to those with a household income at or below one hundred and eight five percent (185%) of the current federal poverty level during the third year of operation</p>		N
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		N
		N
		N
<p>The following sections detail program specifics.</p>		N

Advice Letter  
 Number \_\_\_\_\_ Issue Date \_\_\_\_\_  
 Timothy R. Johnston, P.E., Vice President  
 Decision Number \_\_\_\_\_ 7810 Shaffer Parkway, #120, Littleton, CO 80127 Effective Date \_\_\_\_\_

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Original Sheet No. 83  
 Sheet No. \_\_\_\_\_

<p>NATURAL GAS RATES          GAS SERVICE LOW-INCOME PROGRAM</p>	<p>N N</p>
<p><u>Household Tier Placement</u></p>	<p>N N N</p>
<p>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:</p>	<p>N N N N N N N</p>
<p>Tier 1:          Households with an annual income at or below 125% of the Federal Poverty Level as established in the HHS Federal Poverty Guide 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.</p>	<p>N N N N N N N</p>
<p>Tier 2:          Households with an annual income exceeding 126% of the Federal Poverty Level but not exceeding 150% of the Federal Poverty Level as established in the HHS Federal Poverty Guide 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.</p>	<p>N N N N N N N</p>
<p>Tier 3:          Households with an annual income level that exceeds 151% of the Federal Poverty Level but does not exceed 185% of the Federal Poverty Level as established in the HHS Federal Poverty Guide 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.</p>	<p>N N N N N N N</p>
<p>The program year is June 1 through May 31, and the enrollment period coincides with the LEAP application period of November 1-April 30. The Company will stop taking additional applications on April 30 or when funding has been depleted.</p>	<p>N N N N</p>

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NATURAL GAS RATES GAS SERVICE LOW-INCOME PROGRAM	N N
<u>Cost Recovery</u>	N N N
All rate schedules for natural gas service are subject to a CAP charge designed to recover the direct costs of the Low-Income Program. In accordance with 4 CCR 723-4-4412(e)(III)the Company is allowed to recover certain costs associated with the program. A monthly charge applied to all residential and commercial rate classes pursuant to 4 CCR 723-4-4412(c)(II)B will be phased in over three years beginning on June 1.	N N N N N N N N N
The phase-in rate structure is as follows:	N N N N
Phase 1/Year 1 - \$.25 per month Phase 2/Year 2 - \$.28 per month Phase 3/Year 3 - \$.315 per month	N N N N N N N
<u>Refund</u>	N N N N N N N
Total program cost will be calculated after April 30 of each year. In the event of an over collection of funds, the Company will provide an adjustment refund to all customers posted in the month of June. The refund will be calculated by dividing the total over collected funds by the total number of residential and commercial customers as of April 30 of that year.	N N N N N N N
	N N N N N N N

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