

Residential Gas Utility Mitigation Program (GUMP)

- Extreme winter weather event resulted in record natural gas sales volumes and significant spike in gas prices.
- Customer bills will be adversely affected without assistance.
- Propose assistance through a Bill Mitigation Program:
 - Calculate bills using pre-event gas prices
 - Collect unpaid balance from customers over 7-year period



Residential Gas Utility Mitigation Program (GUMP)

- Entire unpaid balance can be financed at attractive rates.
- Revenue recovery mechanism:
 - Recovered in proportion to usage
 - Increase in cost of service and PGA adder
- Provides meaningful bill mitigation, but maintains revenue stability



Purchased Gas Adjustment (PGA)

- The Corpus Christi Gas Department passes through to customers the full cost of gas used each month by charging a PGA rate per 1,000 cu-ft of gas used (mcf)
- $PGA = (\text{Monthly Cost of Gas} + \text{PGA Adder}^{**}) / \text{Monthly Volume Delivered}$
- PGA is expected to average \$4.70 per mcf during the cost recovery period, which reflects an increase of \$0.93 per mcf over current rate

****NOTE: PGA Adder = Transmission related costs including operating costs, debt service, and lost gas**



Residential Service Rate – Current vs GUMP

Current Rates

Minimum Charge- \$11.65 per month

Volume Charges per mcf (block rates)

First 1 mcf- \$0

Next 2 mcf- \$5.81

Next 3 mcf- \$3.36

Next 4 mcf- \$3.26

Next 20 mcf- \$2.71

Next 50 mcf- \$2.25

Proposed GUMP Rates

Minimum Charge- **\$18.60 per month**

Volume Charge per mcf (single rate)

First 2 mcf- \$0; 3 mcf or more - \$2.25



Residential Average Bill – Current vs GUMP

Cost of service and expected PGA

Current Average Bill

Summer- \$16.35 (1 mcf)

Annual - \$26.86 (2 mcf)

Winter- \$37.37 (3 mcf)

Proposed GUMP Average Bill

Summer- \$23.30 (1 mcf)

Annual- \$28.00 (2 mcf)

Winter- \$34.95 (3 mcf)

