



March 2026 Rate Case Hearing

**Public Hearing for the Consideration of a Resolution
Setting Certain Natural Gas Rates for Colorado
Springs Utilities' (Utilities) March 2026 Rate Case**

April 14, 2026

March 2026 Rate Case Agenda

- City Attorney's Office Introductory Briefing
- City Attorney's Office poll regarding pre-hearing communications
- Utilities' Presentation: Mr. Scott Shirola, Pricing and Rates Manager
- Office of the City Auditor Comments
- Public Questions/Comments
- City Council Questions/Comments for Utilities to Address

March 2026 Rate Case Agenda – continued

- Break for Utilities' Review and Preparation of Responses (if necessary)
- Utilities' Responses to Public and City Council Questions (if necessary)
- City Council Deliberation and Discussion of Any Amendments to the Proposed Tariffs (if necessary)
- Executive Session for Legal Considerations (if necessary)
- Identification of Issues by City Attorney's Office and Council Direction Regarding Each Proposed Tariff
- Establish further proceedings as necessary

**City Attorney's Office
Introductory Briefing
and
City Attorney's Office Poll
Regarding Pre-Hearing
Communications**

Utilities' Presentation

Scott Shirola

Pricing and Rates Manager

Procedural Compliance and Timeline

- February 20:
 - Preliminary filing provided to the Office of the City Auditor and City Attorney
- March 3:
 - Filing of March 2026 Rate Case with the City Clerk, City Auditor, and City Attorney
 - Rate Case documents posted on csu.org
- March 4:
 - Electronic filing provided to City Council
- March 10:
 - Request City Council to establish public hearing date
- March 12:
 - Publish Legal Notice in the Gazette
- April 7:
 - Supplemental information filed
- April 14:
 - Public Hearing
- April 27:
 - Draft Decision and Order at City Council Work Session
- April 28:
 - Decision and Order and Vote at City Council Regular Session

March 2026 Rate Case Overview

- Rate Case filing includes
 - Proposed changes to Utilities' Natural Gas Rate Schedules
 - Addition of Natural Gas Integrity Federal Compliance Charge
- Effective date of proposed changes
 - July 1, 2026
- The filing contains the comprehensive proposed changes
 - Reports, Resolutions, Tariffs, and other supporting materials

DIMP Acceleration Background

- Distribution Integrity Management Program (DIMP)
 - Established by the Pipeline and Hazardous Materials Safety Administration (PHMSA)
 - Assess and replace all bare steel gas mains and gas service lines in our system.
 - Subject to corrosion, or rust, causing potential safety issues.
- Colorado Public Utilities Commission regularly inspects Utilities' DIMP compliance with PHMSA requirements
- PHMSA issued a Notice of Proposed Safety Order in Oct. 2024
 - We reached an agreement with regulators to complete the replacement of bare steel in 10 years

DIMP Acceleration Plan

- Current Pace
 - 5.4 miles of main and 550 services per year
 - ~80-year timeframe to complete backlog
- Acceleration Plan
 - 60+ additional miles of main & 11,600 service lines over 9 years
 - Requires approximately 10 contracted crews
 - Requires an additional 20 internal positions to scope & schedule work, oversee contractors, conduct quality control, and ensure systems of record are updated
- Beyond 10-Year Completion
 - Ongoing regulatory compliance obligations
 - DIMP continues indefinitely

DIMP Acceleration Plan - Cost Recovery

- DIMP Acceleration Plan is not in the five-year plan
 - Five-year rate case was approved in November 2024
 - We received the order in October 2024
 - Agreement reached in 2025.

Natural Gas Revenue Requirement (NGRR) and DIMP Costs (in thousands)

Line No.	Description	2025	2026	2027	2028	2029
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Original Five-Year Plan					
2	Five-Year Plan Budgeted DIMP Costs	\$ 10,900	\$ 13,900	\$ 7,400	\$ 15,200	\$ 7,800
3	Five-Year Plan NGRR	\$ 92,000	\$ 96,200	\$ 101,100	\$ 106,400	\$ 111,400
4	Five-Year Plan Budgeted DIMP Cost as % of NGRR	11.8%	14.4%	7.3%	14.3%	7.0%
5	DIMP Acceleration Plan					
6	DIMP Acceleration Plan Cost	\$ -	\$ 14,500	\$ 21,900	\$ 26,500	\$ 28,200
7	Adjusted NGRR	\$ 92,000	\$ 110,700	\$ 123,000	\$ 132,900	\$ 139,600
8	DIMP Acceleration Plan Cost as % of Adjusted NGRR	0.0%	13.1%	17.8%	19.9%	20.2%
9	Total DIMP					
10	Total DIMP Cost	\$ 10,900	\$ 28,400	\$ 29,300	\$ 41,700	\$ 36,000
11	Total DIMP Cost as % of Adjusted NGRR	11.8%	25.7%	23.8%	31.4%	25.8%

Natural Gas Integrity Federal Compliance Charge

- Proposing a Natural Gas Integrity Federal Compliance Charge
- Bill riders are:
 - Temporary
 - Efficient
 - Specific
- Annual reporting to Utilities Board
 - Annual adjustment if necessary
- Flat daily fee at two levels:
 - Residential/Small Commercial: \$0.2848, per day
 - Large Commercial/Industrial/Contract Service: \$0.5999, per day

Sample Bill Impacts

Line No.	Rate Class	Current	Proposed 7/1/2026	Proposed Increase/ (Decrease)	% Change
(a)	(b)	(c)	(d)	(e) (d) - (c)	(f) (e) / (c)
1	Residential				
2	Electric	\$ 106.67	\$ 106.67	\$ -	0.0%
3	Gas	42.55	51.09	8.54	20.1%
4	Water	90.56	90.56	-	0.0%
5	Wastewater	40.66	40.66	-	0.0%
6	Total	\$ 280.44	\$ 288.98	\$ 8.54	3.0%
7	Commercial				
8	Electric	\$ 682.59	\$ 682.59	\$ -	0.0%
9	Gas	613.21	631.21	18.00	2.9%
10	Water	277.07	277.07	-	0.0%
11	Wastewater	150.31	150.31	-	0.0%
12	Total	\$ 1,723.18	\$ 1,741.18	\$ 18.00	1.0%
13	Industrial				
14	Electric	\$ 39,845.18	\$ 39,845.18	\$ -	0.0%
15	Gas	5,908.62	5,926.62	18.00	0.3%
16	Water	3,635.22	3,635.22	-	0.0%
17	Wastewater	1,936.31	1,936.31	-	0.0%
18	Total	\$ 51,325.33	\$ 51,343.33	\$ 18.00	0.0%

Sample Total Monthly Bill calculations for current and proposed rates assume:

- Residential - 30 days, 700 kWh (Electric), 60 Ccf (Natural Gas), 1,100 cf (Water Inside City Limits), and 700 cf (Wastewater Inside City Limits)
- Commercial - 30 days, 6,000 kWh (Electric), 1,240 Ccf (Natural Gas), 3,000 cf (Water Inside City Limits), and 3,000 cf (Wastewater Inside City Limits)
- Industrial - 30 days, 400,000 kWh and 1,000 kW (Electric), 12,400 Ccf (Natural Gas), 50,000 cf (Water Inside City Limits), and 50,000 cf (Wastewater Inside City Limits)



Front Range Bill Comparison

Service	Front Range Average	Colorado Springs	Percent Above (- Below)
Electric	\$ 125.28	\$ 106.67	-14.85%
Gas	\$ 58.43	\$ 51.09	-12.57%
Water	\$ 77.61	\$ 90.56	16.69%
Wastewater	\$ 43.10	\$ 40.66	-5.67%
Total	\$ 304.42	\$ 288.98	-5.07%

Notes:

Residential bill based on 30 day billing period, 700 kWh (electric), 60 CCF (gas), 1,100 cf (water), and 700 cf (wastewater).

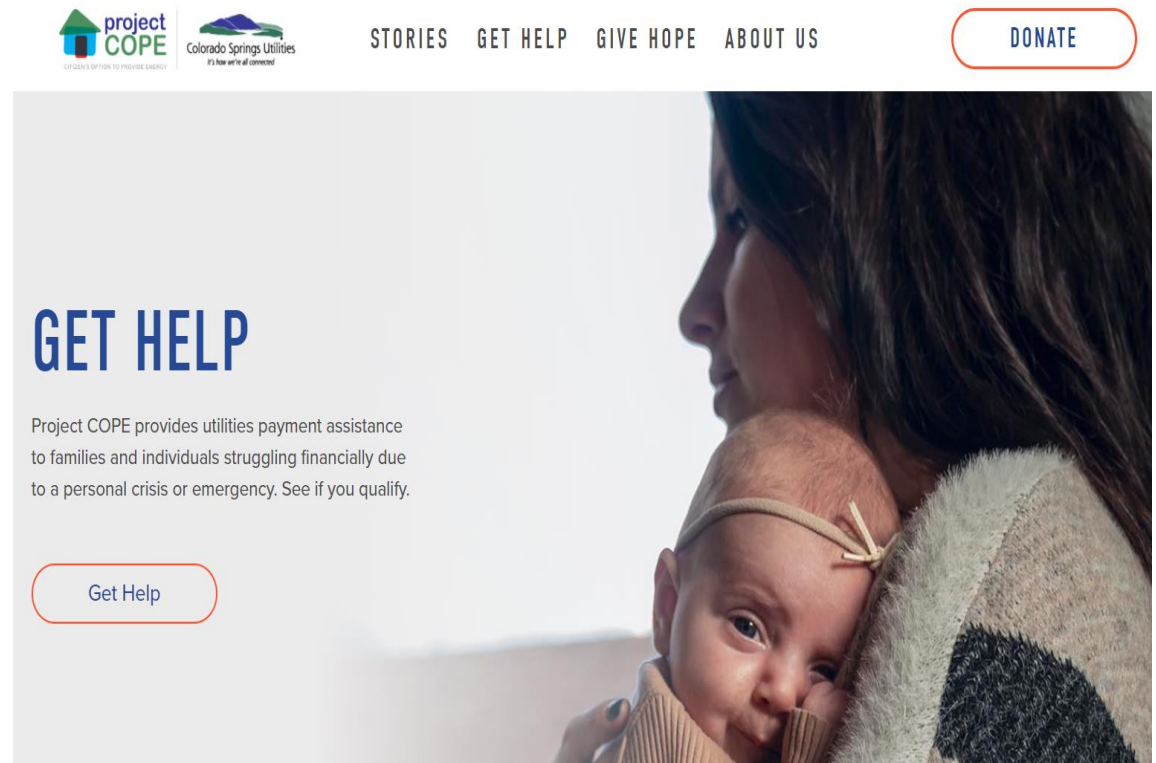
Front Range communities include Aurora, Denver, Fort Collins, Fountain, Monument, and Pueblo.

Rate computations are estimated using assumed billing determinants, tariff rates publicly available on websites effective January 1, 2026 and Colorado Springs Utilities proposed rates effective July 1, 2026.

Customer Outreach

Helping Customers Today

- Bill assistance
 - Low-Income Energy Assistance Program (LEAP) Nov – Apr
 - Project COPE
- Payment options
 - Payment plans
 - Pick my payment date
- Contact information
 - 2-1-1 for customer assistance
 - 719-448-4800 for billing questions



Long-term Assistance

- Free efficiency home upgrades
 - Home Efficiency Assistance Program (HEAP)
- Efficiency tips & education
 - Online at [csu.org](https://www.csu.org)
 - Conservation and Environmental Center
- Rebates
 - Water heater
 - Furnace
 - Smart thermostat
 - Insulation



Customer Notifications

- Customers impacted by construction
 - Email, texts, phone calls, door hangers, & follow-up surveys
- Community presentations (online & virtual)
- Contractor onboarding
- Phased mass communication began in late 2025
 - Natural gas system and bill rider education
 - Media releases, social media posts, newsletters, blogs, etc.



Changes Described In:

- csu.org website
- Electronic customer newsletters
 - First Source
(business customers)
 - CONNECTION
(residential customers)
 - Smart Home
(residential customers)
- Community and customer group presentations
- Utilities Board and City Council meetings
- Media interviews
- One-on-one meetings with large business customers
- Social media channels
- Direct to customer emails

Office of the City Auditor

Public Questions and Comments

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City Council Questions and Comments

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Break
(if Necessary)

Utilities' Response

(if Necessary)

City Council Deliberation of Any Amendments to the Proposed Tariffs

(if Necessary)

Executive Session For Legal Considerations

(if Necessary)

Identification of Issues by City Attorney's Office and Council Direction

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Colorado Springs Utilities[®]

It's how we're all connected