

RESOLUTION NO. 77-16

A RESOLUTION SETTING THE GAS COST ADJUSTMENT
EFFECTIVE AUGUST 1, 2016

WHEREAS, through Resolution No. 261-04, dated November 23, 2004, City Council directed that the Gas Cost Adjustment could be determined as frequently as monthly to levelize revenue recovery and minimize the fluctuations associated with less frequent adjustments during periods of price volatility; and

WHEREAS, through Resolution No. 11-16, City Council set the Gas Cost Adjustment at \$0.0819 per Ccf on January 26, 2016 to be effective February 1, 2016 ; and

WHEREAS, Current cost projections have increased forecasted purchased gas expenses; and

WHEREAS, Colorado Springs Utilities has prepared projections of costs and revenues in conformance with the language in the GCA tariff; and

WHEREAS, Colorado Springs Utilities has shown that a Gas Cost Adjustment rate of \$0.0819 per Ccf should be adjusted to \$0.1368 per Ccf in order to represent the current state of natural gas system revenue needs and that the Gas Cost Adjustment shall be revised accordingly; and

WHEREAS, the proposed Gas Cost Adjustment rate shall be effective August 1, 2016.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. That Colorado Springs Utilities Tariff, City Council Volume No. 5, Natural Gas Rate Schedules shall be revised as follows:

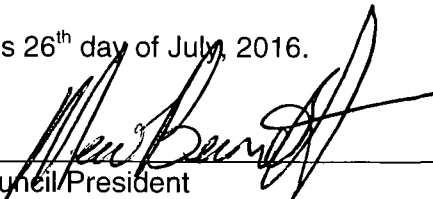
Effective August 1, 2016

City Council Vol. No. 5 Sheet No.	Title	Cancels Sheet No.
Thirteenth Revised Sheet No. 10a	Gas Cost Adjustment	Twelfth Revised Sheet No. 10a

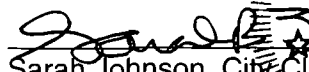
Section 2. The Gas Cost Adjustment rate and the effective date shall be published in the legal section of a newspaper of general circulation in Colorado Springs Utilities' service area within ten (10) days following the date of the passage of this Resolution.


Section 3. The attached tariff sheet is hereby approved and adopted effective August 1, 2016 and shall remain in effect unless changed by subsequent Resolution of the City Council.

Dated at Colorado Springs, Colorado this 26th day of July, 2016.


Council President

ATTEST:


Sarah Johnson, City Clerk





NATURAL GAS RATE SCHEDULES
GAS COST ADJUSTMENT (GCA)

APPLICABILITY

Applicable to all rate schedules that are subject to a Gas Cost Adjustment (GCA).

GAS COST ADJUSTMENT

The GCA will be computed as follows:

The sum of:

- a) the forecasted cost of purchasing natural gas for the future recovery period to be determined by Utilities, plus
- b) an amount determined by Utilities as a projected over or under collected balance at the end of the recovery period used in a) above less the over or under collected balance of natural gas costs at the beginning of the recovery period.

Divided by:

- c) the forecasted sales subject to the GCA for the same period used in a) above.

GCA Rate

Rate Schedule	Per Ccf	Per Mcf
G1R, G1CS, G1CL, G1S	\$0.1368	
G2I, GCS-FIRM, GCS-INTS		\$1.3680

These rates may change as often as monthly by Resolution after review by the Office of the City Auditor and approval by City Council.

Approval Date: July 26, 2016
 Effective Date: August 1, 2016
 Resolution No. _____

**Colorado Springs Utilities
Gas Cost Adjustment (GCA)**

**SCHEDULE 1
GCA EFFECTIVE 8/1/2016**

Line No.	Description	Forecast Calculation Period Aug-Dec 2016
<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
1	Forecasted Cost of Natural Gas	\$ 22,454,628 ^(1a)
2	<u>Plus:</u>	
3	Forecasted Over/(Under) Recovery as of 12/31/2016	53
4	Less Forecasted Over/(Under) Recovery as of 07/31/2016	<u>8,290,623</u>
5	Cumulative Over/(Under) Recovery (Line 3 - Line 4)	<u>\$ (8,290,570) ^(1b)</u>
6	Total Cost (Line 1+Line 5)	<u>\$ 14,164,058</u>
7	<u>Divided by:</u>	
8	Forecasted Sales Volume Subject to the GCA (Ccf at 12.01 PSIA)	103,538,439 ^(1c)
9	<u>Equals:</u>	
10	GCA Rate per Ccf at 12.01 PSIA (Line 6 / Line 8)	<u>\$ 0.1368</u>

Notes :

⁽¹⁾ *Tariff reference (Natural Gas Rate Schedules, City Council Volume No. 5, Thirteenth Revised Sheet No. 10a*

^{a)} *Forecasted cost of natural gas*

^{b)} *Forecasted collected balance at the end of recovery period less collected balance at beginning of recovery period*

^{c)} *Forecasted sales subject to the GCA*