

RESOLUTION NO. 143-15

A RESOLUTION SETTING THE GAS COST ADJUSTMENT EFFECTIVE  
JANUARY 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, City Council, as incorporated in Decisions and Orders pertaining to a fuel and non-fuel rate proceeding filed with City Council on September 22, 2015, set the Gas Cost Adjustment (GCA) at \$0.2126/Ccf on December 8, 2015 to be effective January 1, 2016; and

WHEREAS, Current cost projections have decreased 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 the Gas Cost Adjustment rate of \$0.2126/Ccf should be adjusted to \$0.1726/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 January 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:

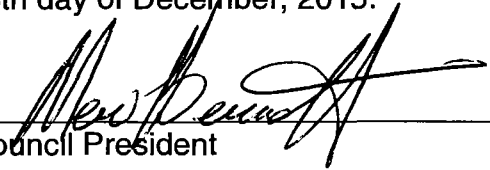
Effective January 1, 2016

City Council Vol. No. 5 Sheet No.	Title	Cancels Sheet No.
Eleventh Revised Sheet No. 10a	Gas Cost Adjustment	Tenth Revised Sheet No. 10a

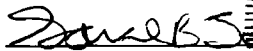
Section 2. The Gas Cost Adjustment rate and the effective date shall be published in the legal section of a newspaper of general circulation in Colorado Springs Utilities' service area within ten (10) days following the date of the passage of this Resolution.


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

Dated at Colorado Springs, Colorado this 8th day of December, 2015.

  
\_\_\_\_\_  
Council President

ATTEST:

  
Sarah B. Johnson, City Clerk



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

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

Line No.	Description	Forecast Calculation Period Jan-Dec 2016
(a)	(b)	(c)
1	Forecasted Cost of Natural Gas	\$ 50,149,281 <sup>(1a)</sup>
2	<u>Plus:</u>	
3	Forecasted Over/(Under) Recovery as of 12/31/2016	4,991,912
4	Less Forecasted Over/(Under) Recovery as of 12/31/2015	12,376,452
5	Cumulative Over/(Under) Recovery (Line 3 - Line 4)	<u>\$ (7,384,539) <sup>(1b)</sup></u>
6	<b>Total Cost</b> (Line 1+Line 5)	<u><b>\$ 42,764,741</b></u>
7	<u>Divided by:</u>	
8	Forecasted Sales Volume Subject to the GCA (Ccf at 12.01 PSIA)	247,767,910 <sup>(1c)</sup>
9	<u>Equals:</u>	
10	<b>GCA Rate per Ccf at 12.01 PSIA</b> (Line 6 / Line 8)	<u><b>\$ 0.1726</b></u>

Notes:

<sup>(1)</sup> *Tariff reference (Natural Gas Rate Schedules, City Council Volume No. 5, Eleventh Revised Sheet No. 10a*

<sup>a)</sup> *Forecasted cost of natural gas*

<sup>b)</sup> *Forecasted collected balance at the end of recovery period less collected balance at beginning of recovery period*

<sup>c)</sup> *Forecasted sales subject to the GCA*

<b>NATURAL GAS RATE SCHEDULES</b>
<b>GAS COST ADJUSTMENT (GCA)</b>

**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	\$0.1726	
G2I, GCS-FIRM, GCS-INTS		\$1.7260

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: December 8, 2015  
 Effective Date: January 1, 2016  
 Resolution No. \_\_\_\_\_



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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	<del>\$0.2126</del> <u>\$0.1726</u>	
G2I, GCS-FIRM, GCS-INTS		<del>\$2.1260</del> <u>\$1.7260</u>

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