

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION SETTING THE WATER RATES  
WITHIN THE WATER SERVICE AREA OF  
COLORADO SPRINGS UTILITIES**

**WHEREAS**, Colorado Springs Utilities (Utilities) has analyzed the cost of providing water utility service to its Customers and has analyzed its current and expected revenue needs; and

**WHEREAS**, Utilities has prepared a Cost-of-Service Study that shows that the water service is currently in an unacceptable net income situation on a *pro forma* basis; and

**WHEREAS**, to rectify the unacceptable cash net income position, water service revenues will need to increase by approximately \$9.0 million; and

**WHEREAS**, Utilities has proposed, and the City Council finds it prudent, to modify the Residential, Nonresidential, Contract, Hydrant, Augmentation, Nonpotable, and Large Nonseasonal rates to reflect the appropriate cost for the service; and

**WHEREAS**, the details of the changes for each rate class, including the pricing changes noted above and all changes noted in the following clauses, are reflected in the tariff sheets attached to this resolution, are provided in red-line format within Utilities' 2016 Rate Case Filing, and are discussed further in the City Council Decision and Order for this case; and

**WHEREAS**, Utilities has proposed, and the City Council finds it prudent, to establish the Large Nonseasonal Service as a permanent rate; and

**WHEREAS**, Utilities has proposed, and the City Council finds it prudent, to revise the contract termination rights of the Large Nonseasonal Service; and

**WHEREAS**, Utilities has proposed, and the City Council finds it prudent, to remove the Large Potable Irrigator Water Conservation Rate Pilot Program; and

**WHEREAS**, Utilities has provided public notice of the proposed changes and has complied with the requirements of the City Code for changing its water rate schedules; and

**WHEREAS**, the City Council finds that the proposed modifications to the water rate schedules and tariffs are reasonable in light of all circumstances and allow Utilities to collect revenues that enable Utilities to continue to operate in the best interest of all of its Customers; and

**WHEREAS**, Utilities has proposed to make the water rate schedule and tariff changes effective January 1, 2016; and

**WHEREAS**, specific rates, policy changes, and changes to any terms and conditions of service are set out in the attached tariffs for adoption with the final City Council Decision and Order in this case.

**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, Water Rate Schedules shall be revised as follows:

Effective January 1, 2016

<b>City Council Vol. No. 5</b>		
<b>Sheet No.</b>	<b>Title</b>	<b>Cancels Sheet No.</b>
Fourth Revised Sheet No. 1	Table of Contents	Third Revised Sheet No. 1
Seventh Revised Sheet No. 2	Residential Service – Inside City Limits	Sixth Revised Sheet No. 2
Seventh Revised Sheet No. 3	Nonresidential Service – Inside City Limits	Sixth Revised Sheet No. 3
Seventh Revised Sheet No. 4	Residential Service – Outside City Limits	Sixth Revised Sheet No. 4
Seventh Revised Sheet No. 5	Nonresidential Service – Outside City Limits	Sixth Revised Sheet No. 5
Seventh Revised Sheet No. 6	Contract Service	Sixth Revised Sheet No. 6
Seventh Revised Sheet No. 7	Temporary Service – Hydrant Use	Sixth Revised Sheet No. 7
Second Revised Sheet No. 8	Miscellaneous Service – Augmentation	First Revised Sheet No. 8
Second Revised Sheet No. 9	Miscellaneous Service - Nonpotable	First Revised Sheet No. 9
Third Revised Sheet No. 10	Contract Service - Nonpotable	Second Revised Sheet No. 10
Fourth Revised Sheet No. 11	Large Potable Irrigator Water Conservation Rate Pilot Program	Third Revised Sheet No. 11
Third Revised Sheet No. 11.1	Large Potable Irrigator Water Conservation Rate Pilot Program	Second Revised Sheet No. 11.1
Second Revised Sheet No. 12	Large Nonseasonal Service	First Revised Sheet No. 12
First Revised Sheet No. 13.5	Water Shortage Tariff	Original Sheet No. 13.5

Section 2: The attached Tariff Sheets, Council Decision and Order, and other related matters are hereby approved and adopted.

Dated at Colorado Springs, Colorado, this 8<sup>th</sup> day of December, 2015.

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City Council President

ATTEST:

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Sarah B. Johnson, City Clerk