



Colorado Springs Utilities

It's how we're all connected

March 2026 Rate Case

Supplemental Filing



Date: April 7, 2026
To: Members of City Council
From: Scott Shirola, Pricing and Rates Manager
Subject: **SUPPLEMENTAL INFORMATION FOR COLORADO SPRINGS UTILITIES' MARCH 2026 RATE CASE FILING**

Colorado Springs Utilities (Utilities) has prepared supplemental information for the March 2026 Rate Case originally submitted March 3, 2026. The supplemental material conforms to the requirements of Rules and Procedures of City Council, Part 4 - Utilities Pricing and Tariff Hearing Procedure, Section 1.A.6.

The attached packet contains revised and new information:

Revised Information

- Revised Natural Gas Report to reflect the most current revisions in the 4-Service Sample Monthly Bill Comparison due to updates in the Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) rates, as approved on March 24, 2026.

New Information

- Legal Notice – Affidavit of Publication
- Public Outreach
- Office of the City Auditor – Audit Report

Revised Information

March 2026
Rate Case
Filing Report

Natural Gas Service

Colorado Springs Utilities (Utilities) engages in the purchase, transportation, storage, and distribution of natural gas. These activities incur fuel related (purchases, transportation, and storage) and non-fuel related (distribution) expenditures. Fuel related expenditures are currently recovered through the Gas Cost Adjustment (GCA) and the Gas Capacity Charges (GCC). Non-fuel related expenditures are recovered through Access and Facilities and Transportation Charges. This filing proposes the establishment of a new non-fuel charge, the Natural Gas Integrity Federal Compliance Charge (NGIFCC).

Natural Gas Integrity Federal Compliance

The Distribution Integrity Management Program (DIMP) was established by the Pipeline and Hazardous Materials Safety Administration (PHMSA) in response to industry-wide safety concerns regarding natural gas distribution pipelines. It was mandated by the Pipeline Inspection, Protection, Enforcement, and Safety (PIPES) Act of 2006, which required operators to implement programs by August 2, 2011. Despite the industry's strong safety record, incidents continued to occur, sometimes with severe consequences, underscoring the importance of full compliance.

The Colorado Public Utilities Commission regularly inspects Utilities' DIMP compliance with PHMSA 192 requirements. Utilities' program received unsatisfactory inspection results in both 2023 and 2025. Following the 2023 inspection, results were forwarded to PHMSA for any further potential enforcement. PHMSA subsequently issued Utilities a Notice of Proposed Safety Order (NOPSO) in October 2024.

A consent agreement addressing the NOPSO was finalized and signed by Utilities' Chief Executive Officer in September 2025, requiring Utilities to accelerate the original 80-year schedule to a 10-year plan replacing all affected pipes to prevent corrosion and reduce the risk of potential gas leaks. The consent agreement also requires Utilities to provide quarterly progress check-ins with PHMSA. By entering into the consent agreement, Utilities elected to invest in the safety of its natural gas distribution system, thereby avoiding a Notice of Potential Violation and monetary penalties.

The 2024 NOPSO was issued after the Utilities developed its five-year financial plan and filed its five-year rate case with City Council. As a result, this accelerated DIMP work was not included in Utilities' five-year rate case approved by City Council on November 12, 2024. The proposed NGIFCC will provide a mechanism to meet these requirements without adversely impacting key financial metrics or the planned five-year base rate increases.

The NGIFCC is proposed as per-day rates, with costs allocated and rates designed consistent with the treatment of distribution services and installation costs in Utilities' 2025 Natural Gas Cost-of-Service Study. The proposed rates are \$0.2848 per day, for Residential Service and Commercial Service-Small, and \$0.5999 per day, for Commercial-Large, Industrial, and Contract Services. For residential customers, the estimated four-service bill impact of the proposed rider will be \$8.54 per month, or 3.0%. The sample bill impact for 2026 is shown below for Residential, Commercial, and Industrial customers.

4-SERVICE SAMPLE MONTHLY BILL COMPARISON⁽¹⁾

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⁾				
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⁽³⁾				
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⁽⁴⁾				
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%

Notes :

⁽¹⁾ Immaterial differences may occur due to rounding.

⁽²⁾ The Residential sample bill is calculated using the existing and proposed rates assuming: 30 days per month; 700 kWh for Electric; 60 Ccf for Natural Gas; 1,100 cf for Water-Inside City Limits; 700 cf for Wastewater-Inside City Limits.

⁽³⁾ The Commercial sample bill is calculated using the existing and proposed rates assuming: 30 days per month; 6,000 kWh for Electric; 1,240 Ccf for Natural Gas; 3,000 cf for Water-Inside City Limits; 3,000 cf for Wastewater-Inside City Limits.

⁽⁴⁾ The Industrial sample bill is calculated using the existing and proposed rates assuming: 30 days per month; 400,000 kWh and 1,000 kW for Electric; 12,400 Ccf for Natural Gas; 50,000 cf for Water-Inside City Limits; 50,000 cf for Wastewater-Inside City Limits.

**New
Information**

Legal Notice

AFFIDAVIT OF PUBLICATION

STATE OF COLORADO
COUNTY OF El Paso

I, Fredrick Rogers, being first duly sworn, deposes and says that he is the Legal Sales Representative of The Colorado Springs Gazette, LLC., a corporation, the publishers of a daily/weekly public newspapers, which is printed and published daily/weekly in whole in the County of El Paso, and the State of Colorado, and which is called Colorado Springs Gazette; that a notice of which the annexed is an exact copy, cut from said newspaper, was published in the regular and entire editions of said newspaper
1 time(s) to wit 03/12/2026

That said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of at least six consecutive months next prior to the first issue thereof containing this notice; that said newspaper has a general circulation and that it has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879 and any amendment thereof, and is a newspaper duly qualified for the printing of legal notices and advertisement within the meaning of the laws of the State of Colorado.



Fredrick Rogers
Sales Center Agent

Subscribed and sworn to me this 03/12/2026, at said City of Colorado Springs, El Paso County, Colorado.
My commission expires June 23, 2026.



Karen Hogan
Notary Public
The Gazette

KAREN HOGAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20224024441
MY COMMISSION EXPIRES 06/23/2026

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LEGAL NOTICE

COLORADO SPRINGS UTILITIES
121 SOUTH TEJON STREET
COLORADO SPRINGS, COLORADO 80903

Notice of Proposed Rate Changes and Tariff Changes

Colorado Springs Utilities is required by City Code Section 12.1.108(C)(2)(b) and Colorado Revised Statutes 40-3.5-104 to provide notification when rate or tariff changes are proposed.

Colorado Springs Utilities (Utilities), an enterprise of the City of Colorado Springs, a Colorado home-rule city and municipal corporation, has proposed tariff changes within the service area of Utilities natural gas service territory. The change, in the form of an additional natural gas rate schedule, will increase rates for natural gas services. The proposed change is summarized below.

Natural Gas Service

Utilities proposes establishing a Natural Gas Integrity Federal Compliance Charge (NGIFCC) to recover forecasted expenditures related to its Distribution Integrity Management Program (DIMP) acceleration plan, required for compliance under the consent agreement with the Pipeline and Hazardous Materials Safety Administration (PHMSA).

The proposed charge is \$0.2848 per day for customers receiving service under the Residential Service - Firm (G1R) and Commercial Service - Small Firm (G1CS) Rate Schedules. The proposed charge is \$0.5999 per day for customers receiving service under all other rate schedules including: Commercial Service - Large Firm (G1CL, G8M, G1S), Industrial Service - Interruptible (G2I, G3M), Industrial Service - Interruptible Prescheduled (G3D), Industrial Transportation Service - Firm (G4T), Contract Service - Military Firm (GCS-Firm, GCS-G6M), and Contract Service - Military Interruptible (GCS-INTS, GCS-G7M).

With the proposed change to the natural gas service, the residential customer will see an increase of approximately \$8.54 or 17.0% to the monthly natural gas sample bill, or 2.9% to the four-service sample bill. The change is proposed effective July 1, 2026.

The proposed changes are described in more detail in the material Utilities filed with the City Clerk. Customers are urged to review the complete filing in order to identify all aspects of the proposal that may affect them. Copies of the proposed resolutions, the accompanying tariff sheets, financial data, cost information and a set of all materials were provided to City Council. The proposed changes are on file and open for public inspection in the Office of the City Clerk, 30 South Nevada Avenue, Colorado Springs, Colorado, 80903 and are posted on the Utilities' website www.csu.org. City Council may also consider tariff changes proposed by Customers which differ from the changes mentioned above.

The City Council set a hearing to be held April 14, 2026, to consider the proposed changes. The hearing will be held in City Council Chambers, 107 North Nevada Ave., Suite 325, Colorado Springs, Colorado beginning at 9 a.m. The proposed changes, if approved by City Council, will go into effect July 1, 2026 or as otherwise provided in the City Council resolution approving the changes. The proposed resolution and tariffs as filed with the City Clerk, may be changed by City Council prior to becoming effective as a result of information presented at the hearing by members of the public, witnesses for Customers, the City Auditor, or by Utilities.

In addition to public comments taken during the hearing, written comments will be accepted at the office of the City Clerk. Public comments may also be submitted electronically to the City Clerk in advance of the hearing to CityClerk@coloradosprings.gov. Each Utilities Customer has the right to appear, personally or through counsel, for the purpose of providing testimony regarding the proposed changes. Any Customer who desires to present witnesses, other than the Customer, should file a Notice of Intent to Present Witnesses and a short summary of the testimony of each witness, as provided in Section 12.1.108 (C) (3) of the City Code, with the City Clerk's Office, 30 South Nevada Avenue, Colorado Springs, Colorado 80903 or electronically to CityClerk@coloradosprings.gov and with the Colorado Springs Utilities Rates Manager, 121 South Tejon Street, Colorado Springs, Colorado 80903 on or before 5 p.m. on April 3, 2026. Customers desiring further information on the proposed rate changes described in this Notice, including the estimated impact on monthly bills, should telephone Colorado Springs Utilities at (719) 448-4800.

**NOTICE TO:
NATURAL GAS CUSTOMERS
OF COLORADO SPRINGS UTILITIES
HEARING DATE: APRIL 14, 2026**

Published in The Gazette March 12, 2026.

Public Outreach



March 2026 Rate Case Public Outreach Overview

This document describes the strategic and comprehensive public outreach plan for the March 2026 Rate Case. The focus of communications for the rate case was on the proposed Natural Gas Integrity Federal Compliance Charge.

Public outreach about the rate case began in February, immediately proceeding the Utilities Board recommendation. The goal of public outreach is to inform customers about the proposed bill rider - what it is, why it's needed and how it benefits the community - by providing transparent, timely and easy-to-understand information across multiple communication channels such as media coverage, webpages, newsletters, and social media posts.

Additionally, customers can attend Utilities Board and City Council meetings virtually or in person and provide public comment. Past Utilities Board meetings are available at csu.org. Additionally, all City Council meetings are shown on various days and times on SpringsTV, Channel 18.

Customers who cannot attend Board and Council meetings can provide their feedback on the rate case directly to City Council members via phone or email, through Springs Utilities' social media pages, and comments to call center representatives.

Additionally, the following channels and tactics have already been utilized:

Date	Audience	Channel	Brief description
Feb. 17	Gazette	Sit down interview	Interview on the Distribution Integrity Management Program and the Natural Gas Integrity Federal Compliance Charge
Feb. 18	Local media	Press release	Utilities Board to consider Natural Gas Integrity Federal Compliance Charge
Feb. 18	All customers	Utilities Board Regular Meeting	Natural Gas Integrity Federal Compliance Charge agenda item
Feb. 18	All customers	Social media	Utilities Board decision, next steps for the Natural Gas Integrity Federal Compliance Charge
Feb. 18	All customers	csu.org	Creation of Natural Gas Integrity Federal Compliance Charge webpage
March 1	All customers	csu.org blog	Overview of the proposed bill rider
March 5	All customers	Social media post	Overview of the proposed bill rider – link to blog

March 5	Commercial customers	First Source newsletter	Overview of the proposed bill rider – link to blog
March 15	Residential customers	Smart Home newsletter	Overview of the proposed bill rider – link to blog

As the March 2026 rate case progresses, additional media advisories, blogs, customer emails, newsletters, bill inserts, and videos will be created to inform customers.

The following is a sample of messages across various channels.


Colorado Springs Utilities

Published by Sprout Social · March 5 at 3:15 PM ·

We are proposing a Natural Gas Integrity Federal Compliance Charge bill rider to help fund important safety upgrades to our natural gas system. These upgrades help protect our community and ensure safe, reliable natural gas service for the 200,000 customers we serve. If approved, the bill impact would be +\$8.54 per month on residential natural gas bills.

We know rate changes can be difficult. If you need assistance paying your bill, we can help. Learn how at: <https://www.csu.org/customer-assistance/>

To learn more about the proposal, click the image below.



csu.org

Our proposed natural gas bill rider

Colorado Springs may add temporary charge to utility bills to cover natural gas replacements

By **Brennen Kauffman** February 18, 2026 | updated 4 weeks ago



🏠 > [Distribution Integrity Management Program](#) > [Natural Gas Integrity...](#)

Natural Gas Integrity Federal Compliance Charge

Related links

[Distribution Integrity Management Program](#)

[Clean Heat Plan bill rider](#)

[March 2026 Rate Case](#)

We are proposing a Natural Gas Integrity Federal Compliance Charge bill rider to fund [required safety upgrades to our natural gas system](#).

A [bill rider](#) is a utility charge, not included in standard base rates, that allows us to recover the costs of specific programs or projects. Unlike base rates, bill riders are temporary.

March 2026

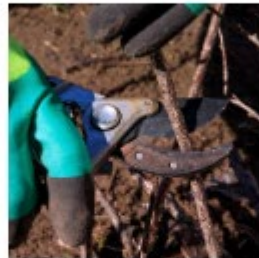
We are proposing a [decrease to electric and natural gas fuel rates](#), which would lower the average residential customer's monthly bill by nearly \$10, if approved by City Council.



We remain fully committed to meeting Colorado's Clean Energy Plan goals. Along the way, we've encountered a few challenges, and some misconceptions. We've broken down the most common myths and facts about our clean energy transition. Read the full breakdown: [Busting myths about our clean energy transition](#).



We've proposed a [Natural Gas Integrity Federal Compliance Charge bill rider](#) to help fund important safety upgrades to our natural gas system.



March is a great time to take advantage of good weather and get your yard ready for summer. [Do these five things](#) to give your landscape a healthy headstart.



Review and comment on the [draft recreation plan for the North Slope Recreation Area](#) by March 31. The plan is the result of a multi-year process to shape long-term access, recreation and water resource protection at this popular destination on Pikes

Office of City Auditor
Audit Report



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Shawn Alessio
Audit Manager, CPA, CFE

26-06 Colorado Springs Utilities Rate Case Filing Review - March 2026

April 2026

Purpose

The purpose of this review focused on accuracy and consistency of the methodology used to develop proposed Colorado Springs Utilities (Utilities) Natural Gas Integrity Federal Compliance Charge (NGIFCC).

Highlights

We conclude that overall modifications included in the March 2026 Rate Case Filing report, and the supporting schedules for the proposed NGIFCC, were prepared accurately and consistently. Methodology changes were properly disclosed in the Utilities filing report. Changes were in alignment with the rate design guidance approved by the Utilities Board and were supported by the 5-year rate case approved by City Council, effective January 1, 2025.

Natural Gas Integrity Federal Compliance Charge

- The NGIFCC is a temporary surcharge, distinct from base rates, established to finance federally mandated safety enhancements to the natural gas distribution system. The charge supports the accelerated replacement of mains and service lines in accordance with the compliance period shortened from an 80 year schedule to a 10-year schedule required by federal regulators. The initiative is intended to strengthen system safety, reliability, and regulatory compliance for approximately 200,000 customers and involves projected infrastructure investments of approximately \$91 million through 2029.
- The proposed rate increase is \$0.2848 per day (\$8.54 per month) for Residential and Small Commercial customers, and \$0.5999 per day (\$18.00 per month) for Large Commercial, Industrial, and Contract Services customers.

City Council's Office of the City Auditor

City Hall, 107 North Nevada Ave. Suite 205, Mail Code 1542, Colorado Springs CO 80901-1575

Tel 719-385-5991 Fax 719-385-5699 Reporting Hotline 719-385-2387

[www.ColoradoSprings.gov/City Auditor](http://www.ColoradoSprings.gov/CityAuditor)