

**A RESOLUTION REGARDING CHANGES TO ELECTRIC RATE SCHEDULE, INDUSTRIAL SERVICE – TIME-OF-DAY 1,000 KWH/DAY MINIMUM (ETL) RATES WITHIN THE SERVICE AREAS OF COLORADO SPRINGS UTILITIES**

**WHEREAS**, Colorado Springs Utilities (Utilities) experienced a multi-year revenue shortfall in the Industrial Service – Time-of-Day Service 1,000 kWh/Day Minimum Electric Service rate; and

**WHEREAS**, Utilities analyzed the root cause of the shortfall; and

**WHEREAS**, Utilities determined that the root cause of the shortfall is that the billing determinants used to set the rate for this class were overestimated, resulting in a rate that is insufficient to recover the class revenue requirement; and

**WHEREAS**, Utilities proposed, and the City Council finds it prudent, to modify the Industrial Service – Time-of-Day Service 1,000 kWh/Day Minimum rates to a level which will bring the class revenues to equal its cost to serve; and

**WHEREAS**, the increases necessary to bring this class to full cost of service are significant and would be unduly burdensome on the applicable customers to implement at one time; and

**WHEREAS**, Utilities proposed, and the City Council finds it prudent to implement the necessary increases over a three year period, beginning with a four percent (4%) increase effective July 1, 2016, and continuing with anticipated increases effective January 1, 2017 and January 1, 2018 in amounts necessary to bring the class to full cost of service; and

**WHEREAS**, the subsequent increases necessary to bring the class to full cost of service will be determined based upon additional cost of service and load study information which is not available at this time; and

**WHEREAS**, the details of the changes for this rate class are reflected in the tariff sheet attached to this resolution, are provided in red-line format within Utilities' ETL Rate Filing, and are discussed further in the City Council Decision and Order for this case; and

**WHEREAS**, Utilities provided public notice of the proposed changes and has complied with the requirements of the City Code for changing its electric rates, charges and regulations; and

**WHEREAS**, the City Council finds that the proposed modifications to the electric rate schedules and tariffs are just, reasonable, sufficient and not unduly discriminatory 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 proposed and City Council determined that the electric rate schedule and tariff changes are effective July 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, Electric Rate Schedules shall be revised as follows:

Effective July 1, 2016

<b>City Council Vol. No. 5</b>		
<b>Sheet No.</b>	<b>Title</b>	<b>Cancels Sheet No.</b>
Eighth Revised Sheet No. 9	Industrial Service – Time-of-Day 1,000 KWh/Day Minimum	Seventh Revised Sheet No. 9

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 28<sup>th</sup> day of June, 2016.

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City Council President

ATTEST:

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Sarah B. Johnson, City Clerk