

**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 \$11.15 million for 2017 and an additional \$0.15 million in 2018; and

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

**WHEREAS**, in consideration of the hardship the proposed rate adjustment to the Large Nonseasonal Service rates may cause to some customers, City Council finds it prudent to phase in the rate adjustments over a two year period, with approximately 6% of the change effective January 1, 2017, and the remainder of the change effective January 1, 2018; 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' 2017 Rate Case Filing, and are discussed further in the City Council Decision and Order for this case; 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, 2017 and January 2018 as applicable; 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, 2017

<b>City Council Vol. No. 5</b>		
<b>Sheet No.</b>	<b>Title</b>	<b>Cancels Sheet No.</b>
Eighth Revised Sheet No. 2	Residential Service – Inside City Limits	Seventh Revised Sheet No. 2
Eighth Revised Sheet No. 3	Nonresidential Service – Inside City Limits	Seventh Revised Sheet No. 3
Eighth Revised Sheet No. 4	Residential Service – Outside City Limits	Seventh Revised Sheet No. 4
Eighth Revised Sheet No. 5	Nonresidential Service – Outside City Limits	Seventh Revised Sheet No. 5
Eighth Revised Sheet No. 6	Contract Service	Seventh Revised Sheet No. 6
Eighth Revised Sheet No. 7	Temporary Service – Hydrant Use	Seventh Revised Sheet No. 7
Third Revised Sheet No. 8	Miscellaneous Service – Augmentation	Second Revised Sheet No. 8
Third Revised Sheet No. 9	Miscellaneous Service - Nonpotable	Second Revised Sheet No. 9
Fourth Revised Sheet No. 10	Contract Service - Nonpotable	Third Revised Sheet No. 10
Third Revised Sheet No. 12	Large Nonseasonal Service	Second Revised Sheet No. 12

Effective January 1, 2018

Fourth Revised Sheet No. 12	Large Nonseasonal Service	Third Revised Sheet No. 12
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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 November, 2016.

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City Council President

ATTEST:

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Sarah B. Johnson, City Clerk