

RESOLUTION NO. 7-15

A RESOLUTION SETTING THE GAS COST ADJUSTMENT EFFECTIVE FEBRUARY 1, 2015

WHEREAS, through Resolution No. 260-04, 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, through Resolution No. 101-14, City Council set the current Gas Cost Adjustment at (\$0.1265)/Ccf effective November 1, 2014; 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 current Gas Cost Adjustment of (\$0.1265)/Ccf is insufficient and that a Gas Cost Adjustment rate of (\$0.2460)/Ccf represents the current state of 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 February 1, 2015.

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 February 1, 2015

City Council Vol. No. 5 Sheet No.	Title	Cancels Sheet No.
Ninth Revised Sheet No. 10a	Gas Cost Adjustment	Eighth Revised Sheet No. 10a

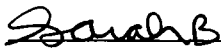
Section 2. The Gas Cost Adjustment rate and the effective date shall be published in the legal section of a newspaper of general circulation in Colorado Springs Utilities' service area within ten (10) days following the date of the passage of this Resolution.

Section 3. The attached tariff sheet is hereby approved and adopted effective February 1, 2015 and shall remain in effect unless changed by subsequent Resolution of the City Council.

Dated at Colorado Springs, Colorado this 27th day of January, 2015.


Keith King, Council President

ATTEST:


Sarah Johnson, City Clerk



NATURAL GAS RATE SCHEDULES

GAS COST ADJUSTMENT (GCA)

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 projected cost of natural gas subject to the GCA for the future period, divided by
- b) the projected sales subject to the GCA for the same period used in a) above.
- Plus:
- c) the cumulative under- or over-recovery of natural gas costs subject to the GCA divided by
- d) the projected sales subject to the GCA for a period to be determined by Utilities.
- Minus:
- e) the base cost of gas in the current rates for sales and transportation services.

Customers switching to a sales rate subject to the GCA from a non-GCA rate schedule will utilize a GCA calculated only using parts a), b), and e). Similarly, customers switching to a non-GCA rate from a gas sales rate that was subject to the GCA will pay, or have refunded, amounts represented in part c) above.

RATE

Gas Cost Adjustment Charge (GCA)

All Per Ccf	(\$2460)
All Per Mcf	(\$24600)

Approval Date: January 27, 2015
Effective Date: February 1, 2015
Resolution No. _____

**Colorado Springs Utilities
Gas Cost Adjustment (GCA)
Proposed GCA Effective 2/1/2015**

Schedule 1

Line No.	Description	Forecast Calculation Period Feb-Dec 2015	Rate per Ccf
(a)	(b)	(c)	(d)
1	Projected Cost of Natural Gas	\$ 74,714,496 ^(3a)	
2	Projected Sales Volume Subject to the GCA (Ccf) ⁽¹⁾	201,832,986 ^(3b)	
3	Forecasted Cost (Line 1/Line 2)		\$ 0.3702
4	<u>Plus:</u>		
5	Forecasted Over/(Under) Recovery as of 1/31/2015	\$ 3,882,259	
6	Forecasted Over/(Under) Recovery as of 12/31/2015	\$ 981,614	
7	Cumulative Over/(Under) Recovery	\$ (2,900,645) ^(3c)	
8	Projected Sales Volume Subject to the GCA (Ccf) ⁽¹⁾	201,832,986 ^(3d)	
9	Cumulative Over/(Under) Recovery (Line 7/Line 8)		\$ (0.0144)
10	<u>Minus:</u>		
11	Base Gas Cost ⁽²⁾	\$ 121,464,766 ^(3e)	
12	Forecasted Sales Subject to the GCA (Ccf) ⁽¹⁾	201,832,986	
13	Total Base Cost of Gas (Line 11/Line 12)		\$ 0.6018
14	<u>Equals:</u>		
15	Proposed GCA Rate (Line 3+Line 9-Line 13)		\$ (0.2460)

Notes:

- (1) Rate schedules subject to the GCA include GIR, G1CS, G1CL, G1S, G2I, GCS-FIRM, and GCS-INTS
- (2) Base Gas Cost revenue calculated using effective tariff rates for each rate schedule subject to the GCA
- (3) Tariff reference (Natural Gas Rate Schedules, City Council Volume No. 5, Ninth Revised Sheet No. 10a
 - a) Projected cost of natural gas
 - b) Projected sales subject to the GCA
 - c) Cumulative under/over recovery
 - d) Projected sales subject to the GCA
 - e) Base cost of gas