

RESOLUTION NO. _____

**A RESOLUTION REGARDING CERTAIN CHANGES TO
THE UTILITIES RULES AND REGULATIONS OF
COLORADO SPRINGS UTILITIES**

WHEREAS, Colorado Springs Utilities (Utilities) has proposed modifications to the Utilities Rules and Regulations section of its tariff; and

WHEREAS, Utilities proposed updating the Electric and Natural Gas Line Extension Fees; and

WHEREAS, Utilities proposed modifications to residential Stormwater service fees facilitate the billing of both residential and nonresidential Stormwater service fees; and

WHEREAS, Utilities proposed clarifying that the Water Leak Adjustment Program is not available prior to issuance of Certificate of Occupancy by the Regional Building Department; and

WHEREAS, Utilities proposed simplifying Water and Wastewater Development Charge Deferral for Affordable Housing; and

WHEREAS, Utilities proposed administrative corrections related to Fee Table references that do not change the rates or fee levels within the tariff; and

WHEREAS, Utilities proposed administrative corrections eliminating obsolete verbiage related to Development Charge Refund and Inactive Service; and

WHEREAS, the City Council finds Utilities' proposed modifications prudent; and

WHEREAS, the details of the changes noted above, and all changes noted in the following clauses, are reflected in the tariff sheets attached to this resolution, are provided in redline format within Utilities' 2020 Rate Case, 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 complied with the requirements of the City Code for changing its Utilities Rules and Regulations; and

WHEREAS, Utilities proposed to make the tariff changes effective January 1, 2020; and

WHEREAS, specific 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. 6, Utilities Rules and Regulations shall be revised as follows:

Effective January 1, 2020

City Council Vol. No. 6		
Sheet No.	Title	Cancels Sheet No.
First Revised Sheet No. 13	GENERAL	Original Sheet No. 13
First Revised Sheet No. 14	GENERAL	Original Sheet No. 14
First Revised Sheet No. 15	GENERAL	Original Sheet No. 15
First Revised Sheet No. 19	GENERAL	Original Sheet No. 19
First Revised Sheet No. 24	GENERAL	Original Sheet No. 24
First Revised Sheet No. 25	GENERAL	Original Sheet No. 25
First Revised Sheet No. 28	GENERAL	Original Sheet No. 28
First Revised Sheet No. 39	GENERAL	Original Sheet No. 39
First Revised Sheet No. 45	GENERAL	Original Sheet No. 45
First Revised Sheet No. 50	GENERAL	Original Sheet No. 50
First Revised Sheet No. 64	ELECTRIC	Original Sheet No. 64
First Revised Sheet No. 65	ELECTRIC	Original Sheet No. 65
First Revised Sheet No. 74	NATURAL GAS	Original Sheet No. 74
First Revised Sheet No. 80	NATURAL GAS	Original Sheet No. 80
First Revised Sheet No. 81	NATURAL GAS	Original Sheet No. 81
First Revised Sheet No. 86	WATER	Original Sheet No. 86
First Revised Sheet No. 87	WATER	Original Sheet No. 87
First Revised Sheet No. 88	WATER	Original Sheet No. 88
First Revised Sheet No. 89	WATER	Original Sheet No. 89
First Revised Sheet No. 90	WATER	Original Sheet No. 90
First Revised Sheet No. 96	WATER	Original Sheet No. 96
First Revised Sheet No. 97	WATER	Original Sheet No. 97
First Revised Sheet No. 98	WATER	Original Sheet No. 98
First Revised Sheet No. 99	WATER	Original Sheet No. 99
First Revised Sheet No. 103	WASTEWATER	Original Sheet No. 103
First Revised Sheet No. 108	WASTEWATER	Original Sheet No. 108
First Revised Sheet No. 109	WASTEWATER	Original Sheet No. 109
First Revised Sheet No. 110	WASTEWATER	Original Sheet No. 110
First Revised Sheet No. 111	WASTEWATER	Original Sheet No. 111
First Revised Sheet No. 112	WASTEWATER	Original Sheet No. 112
First Revised Sheet No. 117	WASTEWATER	Original Sheet No. 117

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 12th day of November 2019.

City Council President

ATTEST:

Sarah B. Johnson, City Clerk

Utilities Rules and Regulations

(URR)

Final Tariff Sheets

UTILITIES RULES AND REGULATIONS

GENERAL

B. Fees

1. Utilities may charge and collect fees as described in the below table, by contract, or as established by City Code Section 14.8.109 for Stormwater service fees. For fees associated with the Development process, see Section I.C., Development Fees.

DESCRIPTION	AMOUNT	REFERENCE
GENERAL		
Return Trip Fee (including Reinspection of failed new gas or water meter loops or to Restore service to additional meters)	\$30.00	General, Sheet No. 19
Returned Payment Fee (whether returned/refused payment was attempted by check, EFT, debit/credit card or other means).	\$30.00	General, Sheet No. 24
Restoration of Service Fee (Other than temporary discontinuance of service by Utilities for operations and maintenance activities) <ul style="list-style-type: none"> • Field Collection and Credit Fee (Trip Fee) \$20.00 • All Restorations \$30.00 • Additional charge for after-hours restorations (outside of Utilities normal working business hours) \$10.00 		General, Sheet No. 40
Opt-Out Program Fee (for nonstandard meters) <ul style="list-style-type: none"> • One-time fee to enter program \$109.00 • Quarterly manual read charge \$20.00 		General, Sheet No. 45
ELECTRIC LINE EXTENSIONS		
Residential Electric Fees (Single Service only) <ul style="list-style-type: none"> • Inspection and Connection Fee \$401.94 • Return Trip Fee (including late appointment cancellations) \$299.98 • Distribution Charge (Contribution in Aid of Construction) <ul style="list-style-type: none"> ○ Single-phase primary distribution line (sum the following:) \$19.78/linear foot ○ 3-phase main line, 22-75 circuit feet \$12.22/circuit foot ○ 3-phase main line, 75-175 circuit feet \$24.45/circuit foot ○ 3-phase underground main line, >175 circuit feet \$58.85/circuit foot 		Electric, Sheet No. 64-65
Electric Temporary Service Connection Fee	\$130.00	Electric, Sheet No. 66
Pedestal Damage Fee	Cost of Repairs	Electric, Sheet No. 66

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

GENERAL

Fees – cont'd

DESCRIPTION	AMOUNT	REFERENCE
ELECTRIC LINE EXTENSION AND EXTENSION OF NATURAL GAS MAINS		
Residential Natural Gas Fees (Single Service only)		Natural Gas, Sheet No. 81
<ul style="list-style-type: none"> • Inspection and Connection Fee 	\$389.17	
<ul style="list-style-type: none"> • Return Trip Fee 	\$319.97	
<ul style="list-style-type: none"> • Inspection and Connection Fee for other polyethylene services less than 2" in diameter (Per Stub) 	\$332.97	Natural Gas, Sheet No. 81
Residential Electric and Gas Fees (Joint Service)		Electric, Sheet No. 64 Natural Gas, Sheet No. 79
<ul style="list-style-type: none"> • Inspection and Connection Fee 	\$603.14	
<ul style="list-style-type: none"> • Inspection and Connection Fee for other polyethylene services less than 2" in diameter (Per Stub) 	\$522.26	
<ul style="list-style-type: none"> • Return Trip Fee (including late appointment cancellations) 	\$491.89	
<ul style="list-style-type: none"> • Distribution Charge (Contribution in Aid of Construction) <ul style="list-style-type: none"> ○ Single-phase primary distribution line ○ 3-phase main line, 22-75 circuit feet ○ 3-phase main line, 75-175 circuit feet ○ 3-phase underground main line, >175 circuit feet 	(sum the following:) \$16.71/linear foot \$12.22/circuit foot \$24.45/circuit foot \$58.85/circuit foot	Electric, Sheet No. 65
Commercial and Industrial Electric, Contribution in Aid of Construction	(sum the following:)	Electric, Sheet No. 65
<ul style="list-style-type: none"> • Primary distribution line • 3-phase main line, 6-20 circuit feet • 3-phase main line, 20-50 circuit feet • 3-phase underground main line, >50 circuit feet 	Customer paid* \$12.22/circuit foot \$24.45/circuit foot \$58.85/circuit foot	
*Customer installed, with all trenching, compaction, etc.; all circuit-feet lengths are as estimated by Utilities		
Cancellation Fees (Reduced in certain circumstances per Utilities' policy)	% of Applicable Return Trip Fee	Electric, Sheet No. 65 Natural Gas, Sheet No. 81
<ul style="list-style-type: none"> • Step One Fee • Step Two Fee • Step Three Fee 	<ul style="list-style-type: none"> • 10% • 25% • 50% 	

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____



UTILITIES RULES AND REGULATIONS

GENERAL

Fees – cont'd

DESCRIPTION	AMOUNT	REFERENCE
WATER		
Water Service Permit Fee		Water, Sheet No. 97
• Initial inspection	\$80	
• Reinspection/return trip (each)	\$50	
Water non-compliance		Water, Sheet No. 99
• First violation	\$0 - \$5,000	
• Second & subsequent violations	\$5,000 - \$10,000	
WASTEWATER		
Wastewater non-compliance with Utilities' <i>Line Extension and Service Standards</i>		Wastewater Sheet No. 103
• First violation	\$0 - \$500	
• Second & subsequent violations	\$500 - \$1,000	
Wastewater, Emergency and After-Hours Inspection	Time and Materials Cost	Wastewater, Sheet No. 103
Residential Wastewater Fees (including mobile homes, townhouses)		Wastewater, Sheet No. 103
• New Connection	\$80	
• Additional installation, repair or alteration	\$100	
• Reinspection	\$50	
Multi-Family Wastewater Fees, per service line		Wastewater, Sheet No. 103
• New Connection	\$100	
• Additional installation, repair or alteration	\$120	
• Reinspection	\$70	
Nonresidential Wastewater, without grease trap		Wastewater, Sheet No. 103
• New Connection	\$100	
• Additional installation, repair or alteration	\$120	
• Reinspection	\$70	
Nonresidential Wastewater, with grease trap or sand/oil interceptor		Wastewater, Sheet No. 103
• New Connection	\$175	
• Additional installation, repair or alteration	\$195	
• Reinspection	\$145	
Wastewater Discharge Permit Fee, per calendar year (no pro-rata)	\$1,132	Wastewater, Sheet No. 117
Wastewater Zero Discharge Permit Fee	\$50	Wastewater, Sheet No. 117

Approval Date: November 12, 2019
 Effective Date: January 1, 2020
 Resolution No. _____

UTILITIES RULES AND REGULATIONS

GENERAL

Development Fees – cont'd

FEE	AMOUNT	PAYABLE AT TIME OF:
<ul style="list-style-type: none"> Utilities' preparation of Hydraulic Analysis Reports – Basic Application 	<ul style="list-style-type: none"> \$1,600.00 for sites 30 acres or less and located within a single pressure zone (Revisions will be billed at \$200.00 per hour) 	Prior to Development Plan approval or upon invoicing
<ul style="list-style-type: none"> Fire flow reports 	<p>New Development*</p> <ul style="list-style-type: none"> Initial two fire flow reports – no charge (within twelve-month period). Additional reports charged \$200.00 per hour with minimum one-hour charge <p>Existing Hydrant Reports*</p> <ul style="list-style-type: none"> First request, per site, no charge. Thereafter, all requests, per site, will be assessed \$50.00 per instance <p>* Refer to current edition of the <i>Line Extension and Service Standards - Water</i> for more detailed information pertaining to fire flow report charges</p>	Prior to construction plan approval or upon invoicing

D. Failed Reinspection Return Trip Fee

All new gas and water meter loops must meet the standards set forth in Utilities' *Line Extension and Service Standards*. If a gas or water meter loop fails to pass the initial inspection, the meter loop will be tagged with a rejection notice. All deficiencies must be corrected before a reinspection is requested or Return Trip fee will be charged for each failed reinspection return trip by Utilities. See Section I.B. Fee Table.

Approval Date: November 12, 2019
 Effective Date: January 1, 2020
 Resolution No. _____

UTILITIES RULES AND REGULATIONS

GENERAL

Receiving Service – cont'd

- c. Utilities will bill for actual consumption that is measured through the Meter or established calculated fees for non-metered services. Utilities may estimate charges due for utility service on accounts where Utilities determines that accurate meter readings have not been obtained. Billing for water and wastewater services may be based on criteria other than actual consumption that is measured through the Water Meter as provided in Section III.E., Water Leak Adjustment Program.
- d. In any case where any meter has not been accessible for reading, maintenance, or replacement, where inaccurate readings or information has been provided by a Customer for billing purposes, where subterfuge has occurred or where there has been a diversion of utility service, Utilities will bill the Customer or user to the extent of available meter readings or other records or information acceptable to Utilities to determine or reasonably estimate the charges due.
- e. Utilities is required to collect, remit and exempt sales tax per applicable law.
- f. If service is discontinued for an account, whether at the Customer's request or in accordance with Section IV.A. of these Utilities Rules and Regulations, then Utilities may transfer any unpaid amounts to other utility service accounts in the Customer's name or in the name of a user of the utility services at the Premises served by the discontinued account.
- g. In invoicing, billing, and collecting (collectively "billing") Stormwater service fees in accordance with City Code Section 14.8.109, Utilities will bill the established fee in each applicable Utilities bill period to each applicable customer through Utilities' standard billing practices. Utilities' applicable customers constitute owners or occupants of property as stated in the listed City Code Section. Utilities' bill periods may not align with calendar months, but customers will be billed the appropriate Stormwater service fees over time. Stormwater service fees are due in full upon billing in accordance with provision (a) of this section. Utilities may prorate Stormwater service fees when an applicable customer is billed for a partial bill period. Upon termination of utility service, no partial Stormwater service fee refunds will be granted, as the Stormwater service fee is incurred in full upon billing. Except for refunds processed through Utilities' standard operating procedures, in the event of any refunds for Stormwater service fees paid over to the City, the City will be responsible for making such refunds.

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

GENERAL

Receiving Service – cont'd

E. Water Leak Adjustment

1. General

- a. The Water Leak Adjustment Program is intended to provide financial relief to Customers who experience extremely high water use as a result of a leak. The Water Leak Adjustment Program is not available prior to issuance of Certificate of Occupancy by the Regional Building Department. Water leak adjustments are limited to two per Premises in any 36-month period. Water leak adjustments may span a maximum of two billing periods.
- b. Within the context of the program, a water leak shall be defined as “an unintentional water loss caused by broken or damaged plumbing fixtures, pipes, or irrigation equipment, at a Customer’s residence or nonresidential site that results in a Customer’s bill(s) being higher than the Customer’s typical bill for water services.”
- c. Upon application for a water leak adjustment in accordance with a Customer’s type of water service, as discussed below, a Customer must verify that a water leak occurred, the estimated time frame of the water leak, and that the water leak was repaired. Utilities will accept reasonable documentation that the water leak was repaired, such as a receipt for repairs, parts, or a signed affirmation of the Customer. Utilities shall have the right to deny an application for a water leak adjustment or reduce the adjusted quantity of water that passed through the billing meter as a result of the water leak for a water leak adjustment if, in Utilities’ sole discretion, the leak or its magnitude is the result of negligence or malicious acts by the Customer.

2. Residential Service

- a. Residential Customers who have experienced a water leak that has resulted in an increase in their water bill may apply for a water leak adjustment by submitting a completed Water Leak Adjustment Request Form to Utilities at the address listed on the Form. The Water Leak Adjustment Request Form and documentation of repairs must be received by Utilities within 60 days of the due date listed on the Customer’s utility bill for the period in which the leak occurred.

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

GENERAL

Ending Service – cont'd

4. In addition to the reasons set forth within these tariffs, the requirements for notice to Customers prior to discontinuance may also be waived for the following reasons:
 - a. Discontinuance is ordered by any properly constituted governmental authority;
 - b. Service, having been discontinued in accordance with this section, is restored by someone other than authorized Utilities' personnel or those persons authorized by the Pikes Peak Regional Building Department; or
 - c. Payments made to Utilities for service reconnection or to avoid service disconnection are dishonored, declined, or otherwise not processed.

5. Where the utility service is recorded on Master Meters
 - a. Utilities will make a reasonable effort to deliver or mail a written notice to each sub-premises at least 30 days prior to the proposed date of discontinuance, advising that the party responsible for payment of utility bills has been sent a notice of discontinuance.
 - b. A notice to the occupants will be posted, to the extent possible, in at least one of the common areas of the multi-unit dwelling.
 - c. Service may not be discontinued if the party responsible for payment pays the amount on the notice, including any applicable fees. See Section I.B. Fee Table.

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

GENERAL

Other Rights, Limitations, and Obligations – cont'd

of the Opt-Out Program and subject to all applicable terms and conditions. The Opt-Out Program is subject to the following:

- i. The Opt-Out Program will be limited to Customers with residential rated services only.
 - ii. A Customer can submit a request to opt-out of automated-meter service only for the Premises in which they reside, not for or on behalf of other Premises or Customers (e.g. apartment building or complex).
 - iii. The Opt-Out Program will be applied to all metered services at the Premises. Customer cannot Opt-Out of one service and leave others under standard automated meter configurations.
 - iv. Customers who participate in the Opt-Out Program will not be eligible to participate in other services including, but not limited to, Load Profile, Net Metering, My Usage and special use rates offered by Utilities.
 - v. Customers who participate in the Opt-Out Program that violate any part of the Tariff or practice any form of subterfuge of utilities services will be terminated from the Opt-Out Program, and standard automated metering will be installed at Customer's expense if Customer is eligible to continue to receive utility service.
- c. Customers who elect to participate in the Opt-Out Program (all amounts of fees described below are in Section I.B. Fee Table:
- i. Will incur an initial service fee to cover the costs associated with changing the configuration of the meters;
 - ii. Are responsible for calling in their meter reads into Utilities each month except for those months where Utilities has manually read the meter, which will occur at least once per quarter; Customer will not incur a meter read charge for those months where they are responsible for providing Utilities with reads; and

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

GENERAL

Other Rights, Limitations, and Obligations – cont'd

Only disputed amounts will be excluded from credit and collection activity until the dispute is resolved. Credit and collection activity will continue on any or all other amounts due.

Except as provided in this section, or in the case of a hazardous condition, during the time period of the review process regarding any reviewable dispute, the Customer's or user's service will not be terminated, and the status quo will be maintained through the review process.

No refund or credit for overcharges, or rebilling for undercharges, ordered as the result of a dispute will be issued until an order has been issued and no further review of the dispute is permitted by these provisions.

Any disputes regarding the assessment and/or applicability of Stormwater service fees billed by Utilities will be directed to the City and addressed by the City in accordance with applicable City Code provisions and Stormwater Enterprise rules, regulations, and policies.

2. Informal Review

As provided below, the Customer or user shall proceed with the required Informal Review in one of two methods: (a) the Customer or user shall seek an informal review with Utilities or, in lieu thereof, (b) seek informal review through the Colorado Springs Better Business Bureau (BBB). The purpose of the informal review process is to review whether Utilities properly applied its ordinances, Tariffs, regulations, policies or procedures with regard to a particular situation. In no event is the informal review process to be utilized to negotiate a settlement of the amounts due for utility services.

3. Request for Informal Review

a. A request for an informal review must be in writing addressed to:

Colorado Springs Utilities
Customer and Corporate Services
Attn: Dispute Resolution
P. O. Box 1103
Colorado Springs, CO 80947-1339

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

ELECTRIC

Electric – cont'd

acknowledge that this warranty continues to be the obligation of the Owner, developer and Customer even though that Owner, developer or Customer ceases to be the Owner of the Premise, the developer of the Premise or the Customer of record at the Premise.

The Owner, developer and Customer agree to indemnify and hold Utilities harmless from any damages, loss, cost, or liability (including, but not limited to, any death, injury, legal fees and the cost of enforcing this indemnity) arising out of, or resulting from the use of, the Residential electric service installation during the three-year period of the warranty.

b. Inspection

The Owner, developer and Customer shall schedule an appointment with Utilities, in accord with Utilities' policies, to inspect and connect the Residential electric service to the Utilities system.

c. Inspection and Connection Fees

Utilities shall inspect and connect the Residential electric service to the Utilities system. The Residential electric service shall be installed as a single service or shall be installed jointly with natural gas service See Section I.B. Fee Table.

The Joint Service Inspection and Connection Fee is also listed under the Natural Gas section of these Utilities Rules and Regulations. However, that fee is only paid once for a joint Residential electric service and natural gas service inspection and connection.

d. Return Trip Inspection and Connection Fees

In some instances, the service inspection and connection appointment may be cancelled outside the time frame set out in Utilities' policies or the service installation itself may not comply with Utilities' *Line Extension and Service Standards* when it is inspected. See Section I.B. Fee Table.

Approval Date: November 12, 2019

Effective Date: January 1, 2020

Resolution No. _____

UTILITIES RULES AND REGULATIONS

ELECTRIC

Electric – cont'd

e. Cancellation Fees

In certain instances, under Utilities' policies, a reduced fee may be charged for cancellation of inspection and connection appointments. See Section I.B. Fee Table.

f. Electric Distribution Charge (Electric Only). See Section I.B. Fee Table.

g. Electric Distribution Charge (Joint Trench with Gas). See Section I. B. Fee Table.

ii. Underground Electric Service - Commercial and Industrial

The Customer will provide, at no cost to Utilities, trenching, backfilling, compaction and restoration of property for the primary and secondary trenches; installation of primary conduit from the primary source to the transformer pad; and installation of secondary conduit, conductor and terminations from the transformer pad to the meter. See Section I.B. Fee Table.

2. Extensions for Electric Temporary Service

Electric Temporary Service may be provided for construction needs, circuses, bazaars, fairs, fireworks stands, Christmas tree sales, concessions and similar enterprises, or to non-permanent ventures upon application for service for a period not to exceed 18 months, on the Electric Rate Schedule applicable to the particular class of service.

Utilities will provide a temporary power pedestal (in an underground service area) when distribution facilities exist and upon payment of the Temporary Service Connection Fees. Service loop supports must be supplied by the Customer in overhead service areas and Temporary Service will be provided when distribution facilities exist and upon payment of the charges below.

Electric Temporary Service Connection Fee - A non-refundable fee for the total cost of all labor, material, equipment and supplies required by Utilities to establish and disconnect service to include the removal and return of the pedestal.

Approval Date: November 12, 2019

Effective Date: January 1, 2020

Resolution No. _____

UTILITIES RULES AND REGULATIONS

NATURAL GAS

Natural Gas – cont'd

The Applicant will execute an Extension Contract for installation of all new facilities necessary to serve the development. Contracts for economically feasible extensions, as determined by Utilities, under \$100,000.00 in total estimated extension cost will be required to pay 30% of the estimated extension cost in addition to the specified design fee, as a non-refundable payment.

All other Applicants will advance 100% of the estimated cost of construction to Utilities in addition to the specified non-refundable design fee. As an alternative, the Applicant may advance 50% of the estimated cost of construction and provide adequate assurance acceptable to Utilities for the remaining 50%. This assurance will be irrevocable and may be in the form of a letter of credit, cash escrow, set-aside letter, or other forms acceptable to Utilities which will allow Utilities to receive the second 50% immediately after construction. After completion of construction, Utilities will determine the actual costs of construction and will charge (or refund without interest) the contract holder the difference between the estimated and actual costs of construction. Utilities may refuse to make connections until all amounts due to Utilities have been paid. After all the amounts due to Utilities are paid, the Applicant will be entitled to execute a Refund Contract.

3. Refunds

a. Refund Contracts

Advance payments for extension of facilities that are eligible for refunds will be completed under one of the following Refund Contracts:

- i. Single Parcel Refund Contract - This contract is intended to cover the cost of installing mains and Service Stubs to serve a parcel and may include allocated costs for Oversized Distribution Mains. This contract includes provisions for refunding all or part of the advance payment. Refunds of advance payments will be based on estimated or actual revenue. The term of this contract will be 10 years.
- ii. Mainline Facilities Refund Contract - If an Applicant is charged for Mainline Facilities, the Applicant may receive refunds for that facility. The Applicant must notify Utilities prior to the start of construction if the Applicant desires to enter into a Refund Contract. A Mainline Facilities Refund Contract will be executed after final

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

NATURAL GAS

Natural Gas – cont'd

Owner, developer or Customer ceases to be the Owner of the Premise, the developer of the Premise or the Customer of record at the Premise.

The Owner, developer and Customer agree to indemnify and hold Utilities harmless from any damages, loss, cost, or liability (including, but not limited to, any death, injury, legal fees and the cost of enforcing this indemnity) arising out of, or resulting from the use of, the natural gas service installation during the three-year period of the warranty.

2. Inspection

The Owner, developer and Customer shall schedule an appointment with Utilities, in accord with Utilities' policies, to inspect and connect the natural gas service to the Utilities system.

3. Inspection and Connection Fees

Utilities shall inspect and connect the natural gas service to the Utilities system. The natural gas service shall be installed as a single service or shall be installed jointly with Residential electric service See Section I.B. Fee Table.

The Joint Service Inspection and Connection Fee is also listed under the Electric section of these Utilities Rules and Regulations. However, that fee is only paid once for a joint natural gas service and Residential electric service inspection and connection.

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

NATURAL GAS RATE SCHEDULES

NATURAL GAS

Natural Gas – cont'd

4. Return Trip Inspection and Connection Fees

In some instances, the service inspection and connection appointment may be cancelled outside the time frame set out in Utilities' policies or the service installation may not comply with Utilities' *Line Extension and Service Standards* when it is inspected. See Section I.B. Fee Table.

5. Cancellation Fees

In certain instances, under Utilities' policies, a reduced fee may be charged for cancellation of inspection and connection appointments. See Section I.B. Fee Table.

- b. Polyethylene natural gas service lines larger than two inches in diameter and all steel natural gas service lines must be installed by Utilities under a time and materials contract. See Section I.B. Fee Table.

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

WATER

Water – cont'd

- g. All service line ordinances, regulations, and policies shall apply to transferred WDC credit and any applicable charges and/or fees shall be paid; and
- h. The party requesting the credits transfer shall pay to Utilities a fee of \$100.00 and shall commit to be responsible for all costs associated with the transfer, including but not limited to, title commitment, processing, and recording fees.

Upon the completion of a transfer of credit for the WDC, the transfer will be effectuated by recording a notice to the El Paso County Clerk and Recorder for both the donor Premises and the recipient Premises, which recording fees shall be paid by the owner of the donor and recipient Premises. The notice shall include the credits transferred and remaining, and applicable service dates associated with each Premises.

9. Request for WDC Refund

Requests for a refund of the WDC for connections not constructed must be made in writing to Utilities within two years of payment of the WDC. No refunds of any such charges will be made unless a request is received by Utilities within two years of payment and no service has been connected.

10. Inactive Water Service

In the event that a service line was classified as abandoned and/or inactive through prior Utilities' Rules and Regulations standards and/or City Code provisions, the property Owner(s) may request to reestablish utility service from Utilities and Utilities shall reestablish the service upon payment of applicable fees and compliance with applicable rules and regulations.

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

WATER

Water – cont'd

11. Timing of Payment of the WDC and related Connection Charges

Payment for a new connection or increased service level as provided in Section VIII.A.5.:

- a. Shall be due in full in cash or check prior to the issuance of a building permit, or
- b. The WDC may be deferred until the time prior to the installation of a meter to serve a Premise. The deferred WDC, Recovery Agreement Charges or any other fees – shall be paid at the then current rates plus an additional charge equal to a five percent annual interest rate, calculated per day, of the deferred amount and shall be paid in full in cash or check prior to the installation of meters and prior to the provision of service. The payment of all Water Service Permit Fees and all other related charges as determined by Utilities shall be paid prior to the issuance of the building permit.

12. WDC Deferral for Primary Employers

A Primary Employer enlarging its facilities or building new facilities within the City limits may be eligible for deferral of the WDC.

If the commercial or nonresidential operation meets the Primary Employer criteria, it may submit an application for development charge deferral to Utilities. Upon approval of the application by the Greater Colorado Springs Economic Development Corporation and the City of Colorado Springs Office of Economic Development, the company is qualified to pay the WDC on a five-year payment schedule. Payments can be made either on a monthly or yearly basis at a preset date as agreed in the contract for service. Interest charges on WDC not paid will be calculated in accordance with the published ten-year U.S. Treasury Note rate (Interest Rate).

13. WDC Deferral for Affordable Housing

The Affordable Housing Program for WDC deferral is based on the targeted income level for the affordable housing project. Projects, which are a mix of affordable and traditional units, are eligible to receive a deferral only for that portion of the project which is affordable and qualifies under this program.

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

WATER

Water – cont'd

Single-family residences or Multi-Family Residential Premises construction that meet:

- a. The affordable housing criteria as defined by the City of Colorado Springs Housing and Community Development Office, and
- b. The energy and water conservation standards defined in Utilities' Affordable Housing Program are eligible for a deferral of the WDC.

Affordable Housing projects target individuals whose income is equal to or less than 80% of the area median income.

Deferral of the WDC is on a first-come, first-served basis and will not, in aggregate, exceed five percent of Utilities' previous year's total WDC revenues. Therefore, regardless of the number of applications reviewed and preliminarily approved, deferrals will be issued on an annual basis up to, but not exceeding, the financial guidelines. All projects obtaining a service contract during a given year after this limitation has been met will not receive deferrals, nor will the WDC be eligible for refund in subsequent calendar years.

The amounts to be repaid under the Affordable Housing Program will be based on the WDC in effect at the time the first repayment is made, but will not exceed the deferred amount plus interest charges. Interest charges used to determine the "not-to-exceed" amount will be calculated from the date of deferral to the date of first repayment in accordance with the Interest Rate in effect on the date of deferral, compounded annually.

- Zero percent of total WDC is due at time of application for utilities.
- 100% of total WDC plus any applicable interest is due at first subsequent sale of property, or beginning in the sixth year after deferral (or at any time prior to that date at Owner's option) and for four years thereafter.

Repayment of the 100% of WDC deferral is collected annually as follows:

6th year – 20%

7th year – 20%

8th year – 20%

9th year – 20%

10th year – 20% Final Payment

Approval Date: November 12, 2019

Effective Date: January 1, 2020

Resolution No. _____



UTILITIES RULES AND REGULATIONS

WATER

Water – cont’d

The deferred WDC fee will constitute a lien on the property in the form of a Deed of Trust executed by the property Owner until such time that it is paid in full.

If the property Owner(s) elect(s) to repay the outstanding balance in five annual payments, then interest will be charged on the outstanding balance during such repayment period based on the Interest Rate, compounded annually. A calculation will be made by Utilities at the time of first repayment such that the five annual payments are equal.

In the event there is a subsequent sale of the property, all remaining unpaid amounts related to that property are due and payable at the time of the subsequent sale.

Failure to make payments in accordance with the above programs will be subject to applicable Utilities’ Tariffs, policies and procedures.

The property Owner has the right to prepay the principal amount, plus any applicable interest, outstanding under the program, in whole or in part, at any time without penalty.

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____



UTILITIES RULES AND REGULATIONS

WATER

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Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

WATER

Water – cont'd

D. Augmentation Water Service Extension

Customers contracting with Utilities for Augmentation Water Service will be responsible for all facility costs, including well, pond or diversion development costs, materials and construction costs, and operational and maintenance costs including electrical pumping and meter costs. Facilities will be designed and constructed in accordance with the applicable *Line Extension and Service Standards* for Water. Service will only be available upon approval by Utilities of the plans and specifications of such facilities and appurtenances. Utilities will inspect and approve the actual construction prior to initiation of service.

E. Nonpotable Water Service Extension

At its option, Utilities may fund the extension of the nonpotable distribution system to facilitate the development of economically feasible alternative sources of nonpotable water supply.

F. Water Service Permit Fees

1. Water service permits are required for: 1) each connection of a Service Line to the Water Distribution Main, (tap), 2) each repair or alteration to a Service Line (only when a Wastewater Permit is not required), or 3) each disconnection of a Service Line from the Water Distribution Main, or 4) for Temporary Service-Hydrant Use. Water Permit fees are due upon receipt of invoice or prior to issuance of Water Permit. See Section I.B. Fee Table.
2. Any connection of a Service Line to the Water Distribution Main, any repair or alteration to a Service Line, or any disconnection of a Service line from the Water Distribution Main, may only be performed by private contractors as provided within the Utilities' *Line Extension and Service Standards* for Water.
3. Connection, repair, alteration, or disconnection of Service Lines.
 - a. New, developer-installed Water Distribution Mains.
 - i. For residential and nonresidential Customers with new construction and with Service Lines of two inches or less in diameter that are tapping into new, developer-installed Water Distribution Mains.

Approval Date: November 12, 2019

Effective Date: January 1, 2020

Resolution No. _____

UTILITIES RULES AND REGULATIONS

WATER

Water – cont'd

- a. All construction will be performed by the Customer's, the Owner's or the developer's private contractor. The private contractor must comply with all contractor requirements of the Utilities' *Line Extension and Service Standards* for Water. All construction by the private contractor must strictly conform to the Utilities' *Line Extension and Service Standards* for Water.
- b. Utilities must inspect and must approve all such construction. If the construction does not comply with the Utilities' *Line Extension and Service Standards* for Water, then Utilities must re-inspect the construction until it may be approved. See Section I.B. Fee Table.
- c. The Customer, the Owner and the developer warrants to Utilities all materials and labor related to the Service Line construction from (and including) the Service Line's point of connection to the Utilities system to the Premises for a period of two years from the date of its inspection and approval.

In the event of a defect in the Service Line construction during the two-year warranty period, then the Customer, the Owner and the developer immediately shall repair or replace the construction at no cost to Utilities. The Customer, the Owner and the developer acknowledge that this warranty continues to be the obligation of the Customer, the Owner and the developer even if that Customer, Owner, or developer ceases to be the Customer of record at the Premises, the Owner of the Premises, or the developer of the Premises.

The Customer, the Owner, and the developer agree to indemnify and to hold Utilities harmless from any damages, loss, cost, or liability (including, but not limited to, any death, injury, legal fees and the cost of enforcing this indemnity) arising out of, or resulting from the use of, the construction during the two-year period of the warranty.

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

WATER

Water – cont'd

- ii. For all taps into new, developer-installed Water Distribution Mains that are larger than two inches in diameter, all construction will be performed by Utilities. See Section I.B. Fee Table.
 - b. All Utilities-owned and maintained Water Distribution Mains.
 - i. For residential and nonresidential Customers for Service Lines of two inches or less that are tapping into Utilities-owned and maintained Water Distribution Mains, Utilities will perform all construction.
 - ii. For all taps into Utilities-owned and maintained Water Distribution Mains that are larger than two inches in diameter, all construction will be performed by Utilities. See Section I.B. Fee Table.
 - c. Emergency and After-Hours

All fees listed in Section VIII.F.3.a. and Section VIII.F.3.b. are for non-emergency and normal business hour inspections and tapping construction. All emergency and after-hours inspections or tapping construction will be billed on a time-and-material basis in addition to the listed fee.
- 4. Temporary Service-Hydrant Use
 - a. A Temporary Water Service Permit for the use of a Fire Hydrant will be valid for a maximum period of 12 months. The applicable Water Service Permit Fees must be paid prior to the issuance of a Water Service Permit. Applicant must adhere to the terms and conditions set forth in the Temporary Water Service Permit and comply with Fire Hydrant use requirements as specified in the Utilities' *Line Extension and Service Standards* for Water.
- 5. Non-compliance with Tariff or the Utilities' *Line Extension and Service Standards* for Water.
 - a. Non-compliance with this Tariff section of the Utilities Rules and Regulations or the provisions of the Utilities' *Line Extension and Service Standards* for Water that are referred to in this Tariff section, including but

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

WATER

Water – cont'd

not limited to failure to obtain a Water Service Permit, including a Temporary Water Service Permit for Fire Hydrant Use, and to obtain applicable inspections, may result in fines. See Section I.B. Fee Table.

- b. All costs to remove non-complying construction or to otherwise remedy such non-compliance may be assessed as provided in the Utilities' *Line Extension and Service Standards* for Water.

6. Prohibited Construction

- a. Only Utilities may tap into a Utilities-owned and maintained Water Distribution Main.
- b. Only Utilities may install taps for Service Lines larger than two inches in diameter.

7. Pipe Cuts

Utilities performed pipe cuts are available on a Time and Material basis.

8. Hydrant Laterals

As specified in the Utilities' *Line Extension and Service Standards* for Water, taps are not permitted on hydrant laterals of the Water System.

G. Utilities' Liability – Water

Utilities is not liable for failure to maintain water pressures sufficient for any proposed use of water. This section is in addition to, and does not limit, Utilities Rules and Regulations – General.

H. Applicability of City Code – Water

Water service outside City limits and outside the Exclusive Water Service Territory defined in these Tariffs is subject to the requirements of the City Code (including without limitation Part 2 of Article 6 of Chapter 7 pertaining to Annexations) as the City Code is now in effect and as it may be amended from time to time hereafter by City Council.

Approval Date: November 12, 2019
Effective Date: November 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

WASTEWATER

IX. WASTEWATER

A. Wastewater Permit Fee

Wastewater Permit fees are due upon receipt of invoice or prior to issuance of a Wastewater Permit. A Wastewater Permit fee will be assessed for:

1. new connection to Utilities' wastewater treatment system;
2. repair or alteration of each existing wastewater service line; and/or
3. disconnection from Utilities' wastewater treatment system.

All construction must strictly conform to the Utilities' *Line Extension and Service Standards* for Wastewater.

4. New Connection. See Section I.B. Fee Table.
5. Additional Installation, Repair or Alteration. See Section I.B. Fee Table.
6. Emergency and After-Hours Inspections

All fees listed above in subsections 4 and 5 are for non-emergency inspections conducted during Utilities' normal business hours. Emergency and after-hours inspections will be billed on a time and materials basis. See Section I.B. Fee Table.

7. Reinspection Fee

In some instances, the service installation itself may not comply with Utilities' *Line Extension and Service Standards* for Wastewater when it is inspected. The Wastewater Permit fee covers the initial inspection and one return trip to the Premise. See Section I.B. Fee Table.

8. Non-compliance with Tariff or the Utilities' *Line Extension and Service Standards* for Wastewater.

Non-compliance with this Tariff section of the Utilities' Rules and Regulations or the provisions of the Utilities' *Line Extension and Service Standards* for Wastewater that are referred to in this Tariff section, including but not limited to failure to obtain a Wastewater Permit and to obtain inspections, may result in fines. See Section I.B. Fee Table.

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____



UTILITIES RULES AND REGULATIONS

WASTEWATER

Wastewater – cont’d

7. Request for WWDC Refund

Requests for a refund of the WWDC for connections not constructed must be made in writing to Utilities within two years of payment of the WWDC. No refunds of any such charges will be made unless a request is received by Utilities within two years of payment and no service has been connected.

8. Inactive Wastewater Service

In the event that a service line was classified as abandoned and/or inactive through prior Utilities’ Rules and Regulations standards and/or City Code provisions, the property Owner(s) may request to reestablish utility service from Utilities and Utilities shall reestablish the service upon payment of applicable fees and compliance with applicable rules and regulations.

9. Timing of Payment of the WWDC and Related Connection Charges
Payment for a new connection or increased service level as provided in Section IX.B.4.:

- a. Shall be due in full in cash or check prior to the issuance of a building permit, or the WWDC may be deferred until the time prior to the installation of a meter to serve a Premise. The deferred WWDC, Recovery Agreement Charges or any other fees shall be paid at the then current rates plus an additional charge equal to a five percent annual interest rate of the deferred amount, calculated per day, and shall be paid in full in cash or check prior to the installation of meters and prior to the provision of service. The payment of all Wastewater Permit Fees and all other related charges, as determined by Utilities, shall be paid prior to the issuance of the building permit.

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

WASTEWATER

Wastewater – cont'd

10. WWDC Deferral for Primary Employers

A Primary Employer enlarging its facilities or building new facilities within the City limits may be eligible for deferral of the WWDC.

If the commercial or industrial operation meets the Primary Employer criteria, it may submit an application for development charge deferral to Utilities. Upon approval of the application by Utilities, the company is qualified to pay the WWDC on a five-year payment schedule. Payments can be made either on a monthly or yearly basis at a preset date as agreed to in the contract for service. Interest charges on WWDC not paid will be calculated in accordance with the published 10-year U.S. Treasury Note rate (Interest Rate).

11. WWDC Deferral for Affordable Housing

The Affordable Housing Program for WWDC deferral is based on the targeted income level for the affordable housing project. Projects, which are a mix of affordable and traditional units, are eligible to receive a deferral only for that portion of the project which is affordable and qualifies under this program.

Single-family residences or Multi-Family Residential Premises construction that meet:

- a. the affordable housing criteria as defined by the City of Colorado Springs Housing and Community Development Office, and
- b. the energy and water conservation standards defined in Utilities' Affordable Housing Program are eligible for a deferral of the WWDC.

Affordable Housing projects target individuals whose income is equal to or less than 80% of the area median income.

Deferral of the WWDC is on a first-come, first-served basis and will not, in aggregate, exceed five percent of Utilities' previous year's total WWDC revenues. Therefore, regardless of the number of applications reviewed and preliminarily approved, deferrals will be issued on an annual basis up to, but not exceeding, the financial guidelines. All projects obtaining a service contract during a given year after this limitation has been met will not receive deferrals, nor will the WWDC be eligible for refund in subsequent calendar years.

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

WASTEWATER

Wastewater – cont'd

The amounts to be repaid under the Affordable Housing Program will be based on the WWDC in effect at the time the first repayment is made, but will not exceed the deferred amount plus interest charges. Interest charges used to determine the “not-to-exceed” amount will be calculated from the date of deferral to the date of first repayment in accordance with the Interest Rate in effect on the date of deferral, compounded annually.

- Zero percent of total WWDC is due at time of application for utilities.
- 100% of total WWDC plus any applicable interest is due at first subsequent sale of property, or beginning in the sixth year after deferral (or at any time prior to that date at Owner’s option) and for four years thereafter. Repayment of the 100% of WWDC deferral is collected annually as follows:

6th year – 20%

7th year – 20%

8th year – 20%

9th year – 20%

10th year – 20% Final Payment

The deferred WWDC will constitute a lien on the property in the form of a Deed of Trust executed by the property Owner until such time that it is paid in full.

If the property Owner(s) elect(s) to repay the outstanding balance in five annual payments, then interest will be charged on the outstanding balance during such repayment period based on the Interest Rate, compounded annually. A calculation will be made by Utilities at the time of first repayment such that the five annual payments are equal.

In the event there is a subsequent sale of the property, all remaining unpaid amounts related to that property are due and payable at the time of the subsequent sale.

Failure to make payments in accordance with the above programs will be subject to applicable Utilities’ Tariffs, policies and procedures.

The property Owner has the right to prepay the principal amount, plus any applicable interest, outstanding under the program, in whole or in part, at any time without penalty.

Approval Date: November 12, 2019

Effective Date: January 1, 2020

Resolution No. _____



UTILITIES RULES AND REGULATIONS

WASTEWATER

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Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

WASTEWATER

Wastewater – cont'd

C. Wastewater Extension Policy

A property Owner or developer is responsible for the cost of engineering, construction and materials for all wastewater collection system infrastructure and related appurtenances necessary to serve the Premises or development. Utilities will approve the plans and specifications of such facilities and appurtenances and inspect and approve the actual construction prior to connection of such facilities.

1. Pipelines

When a property Owner or developer finds it necessary to construct wastewater collection facilities through or adjacent to unserved or undeveloped lands, the property Owner or developer will pay the entire cost of such facilities. However, Utilities may agree in a Recovery Agreement with such property Owner(s) or developer to assist in the collection of a pro rata share of the eligible cost of such facilities and interest as provided within these Rules and Regulations from the property Owner(s) or developer of such unserved or undeveloped lands at the time of connection to the facilities or wastewater plan approval and refund such cost as provided in the Recovery Agreement.

If Utilities determines that extension of a wastewater collection system is in the best interest of Utilities to protect wastewater service to existing Customers, allow for the continued development within the service area and provide benefit to the entire service area, Utilities may, at its sole discretion, design and construct the wastewater collection system located outside the boundaries of the unserved or undeveloped land. Utilities will recover the cost to design and construct such facilities, with interest, through a Recovery Agreement charge from the property Owner(s) or developer of unserved or undeveloped lands prior to connection to such facilities. Utilities may implement a Recovery Agreement charge to collect the cost of the facilities in advance of its construction. Advance Recovery Agreements are limited to Utilities' designated projects to the extent Utilities determines, at its sole discretion.

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____

UTILITIES RULES AND REGULATIONS

WASTEWATER

Wastewater – cont'd

6. Recovery Agreement Reimbursement

The agreement holder's rights to reimbursement under the provisions of the Recovery Agreement will not exceed the construction costs plus the interest factor for a period of 20 years from execution of the agreement, unless Utilities approves a contract period exceeding that time. The agreement holder's rights to reimbursement expires two years after expiration of the Recovery Agreement. No requests for reimbursement by the agreement holder made more than two years after the expiration date will be considered by Utilities.

E. Discharge Permit Fee

1. A Discharge Permit Fee will be assessed to all significant industrial users proposing to connect to, and discharge into, any part of the wastewater treatment system and collected at the time of application. This fee is non-refundable and will not be assessed on a pro rata basis. See Section I.B. Fee Table.
2. An annual renewal Discharge Permit Fee will be assessed to existing Discharge Permit holders in accordance with the City Code. This fee is non-refundable and will not be assessed on a pro rata basis. See Section I.B. Fee Table.

F. Zero Discharge Permit Fee

A Zero Discharge Permit Fee will be assessed to all significant industrial users proposing to connect to any part of the wastewater treatment system and collected at the time of application or any subsequent renewal. This fee is non-refundable and will not be assessed on a pro rata basis. See Section I.B. Fee Table.

G. Applicability of City Code – Wastewater

Wastewater service outside City limits is subject to the requirements of the City Code (including without limitation Part 2 of Article 6 of Chapter 7 pertaining to Annexations and Part 3 of Article 5 of Chapter 12 pertaining to Wastewater Service) as the City Code is now in effect and as it may be amended from time to time hereafter by City Council.

Approval Date: November 12, 2019
Effective Date: January 1, 2020
Resolution No. _____