



Gas Cost Adjustment Alternatives Summary

March 9, 2021 City Council Meeting

Colorado Springs Utilities (Utilities) is proposing a change to the Gas Cost Adjustment (GCA) rate effective March 11, 2021. Utilities' filing is consistent with Alternative 2 and if approved, would change the current effective GCA rate of \$0.1812 per Ccf to the proposed rate of \$0.5477 per Ccf.

Information for Alternative 1 and 3 are attached as requested by City Council.

City Council can move adoption of the proposed resolution (Alternative 2) or move to amend with another rate alternative (Alternative 1 or Alternative 3).

Alternative 1

- Filing per Excellence in Governance Policy Manual, Electric and Gas Cost Adjustments (G-6) Guidelines
- Multiplier applied

Alternative 2

- Targets \$0 collection balance at 4/30/22
- 14-Month Recovery
- No multipliers applied

Alternative 3

- Targets \$0 collection balance at 1/31/23
- GCA 23-Month Recovery
- No multipliers applied

Summary

	Current Effective Rate <u>(a)</u>	Alternative 1 Filing per Guidelines <u>(b)</u> <u>(c)</u> <u>[(b) - (a)] / (a)</u>		Alternative 2 Target \$0 Balance at 4/30/22 <u>(d)</u> <u>(e)</u> <u>[(d) - (a)] / (a)</u>		Alternative 3 Target \$0 Balance at 1/31/23 <u>(f)</u> <u>(g)</u> <u>[(f) - (a)] / (a)</u>	
Proposed GCA Rate per Ccf (effective 3/11/21)	\$ 0.1812	\$ 0.8916		\$ 0.5477		\$ 0.4228	
Sample Monthly Gas Bill:							
Residential	\$ 37.42	\$ 80.05	113.9%	\$ 59.41	58.8%	\$ 51.92	38.7%
Commercial	\$ 544.26	\$ 1,425.15	161.9%	\$ 998.72	83.5%	\$ 843.84	55.0%
Industrial	\$ 5,230.34	\$ 14,039.30	168.4%	\$ 9,774.94	86.9%	\$ 8,226.18	57.3%

Sample Total Monthly Bill:

Residential	\$ 232.02	\$ 274.65	18.4%	\$ 254.01	9.5%	\$ 246.52	6.2%
Commercial	\$ 1,453.16	\$ 2,334.05	60.6%	\$ 1,907.62	31.3%	\$ 1,752.74	20.6%
Industrial	\$ 41,373.15	\$ 50,182.11	21.3%	\$ 45,917.75	11.0%	\$ 44,368.99	7.2%

**Colorado Springs Utilities
Gas Cost Adjustment (GCA)**

Alternative 1
Information Only

**SCHEDULE 1
GCA EFFECTIVE 03/11/2021**

Line No.	Description	Forecast Calculation Period Mar 11, 2021 - Apr 30, 2021
<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
1	Forecasted Cost of Natural Gas	\$ 8,712,585 ^{(1)(2a)}
2	<u>Plus:</u>	
3	Forecasted Over/(Under) Recovery as of 04/30/21	\$ (76,069,870)
4	Less Forecasted Over/(Under) Recovery as of 03/10/21	(105,460,900)
5	Cumulative Over/(Under) Recovery (Line 3 - Line 4)	<u>\$ 29,391,030</u> ^(2b)
6	Total Cost (Line 1+Line 5)	<u>\$ 38,103,615</u>
7	<u>Divided by:</u>	
8	Forecasted Sales Subject to the GCA (Ccf at 12.01 PSIA)	<u>42,736,221</u> ^(2c)
9	<u>Equals:</u>	
10	GCA Rate per Ccf at 12.01 PSIA (Line 6 / Line 8)	<u>\$ 0.8916</u>

Notes:

⁽¹⁾ Includes credits for forecasted Off-System Sales

⁽²⁾ Tariff reference (Natural Gas Rate Schedules, City Council Volume No. 6, Thirteenth Revised Sheet No. 2.4)

^{a)} Forecasted cost of natural gas

^{b)} Forecasted collected balance at the end of recovery period less collected balance at beginning of recovery period

^{c)} Forecasted sales subject to the GCA

**Colorado Springs Utilities
Gas Cost Adjustment (GCA)**

Alternative 3
Information Only

**SCHEDULE 1
GCA EFFECTIVE 03/11/2021**

Line No.	Description	Forecast Calculation Period Mar 11, 2021 - Apr 30, 2021
<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
1	Forecasted Cost of Natural Gas	\$ 8,712,585 ^{(1)(2a)}
2	<u>Plus:</u>	
3	Forecasted Over/(Under) Recovery as of 04/30/21	\$ (96,104,611)
4	Less Forecasted Over/(Under) Recovery as of 03/10/21	(105,460,900)
5	Cumulative Over/(Under) Recovery (Line 3 - Line 4)	<u>\$ 9,356,289</u> ^(2b)
6	Total Cost (Line 1+Line 5)	<u>\$ 18,068,874</u>
7	<u>Divided by:</u>	
8	Forecasted Sales Subject to the GCA (Ccf at 12.01 PSIA)	<u>42,736,221</u> ^(2c)
9	<u>Equals:</u>	
10	GCA Rate per Ccf at 12.01 PSIA (Line 6 / Line 8)	<u>\$ 0.4228</u>

Notes:

⁽¹⁾ Includes credits for forecasted Off-System Sales

⁽²⁾ Tariff reference (Natural Gas Rate Schedules, City Council Volume No. 6, Thirteenth Revised Sheet No. 2.4)

^{a)} Forecasted cost of natural gas

^{b)} Forecasted collected balance at the end of recovery period less collected balance at beginning of recovery period

^{c)} Forecasted sales subject to the GCA