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Title: A Resolution Regarding Certain Changes to Colorado Springs Utilities' Utilities Rules and Regulations

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Date	Ver.	Action By	Action	Result
1/26/2016	1	City Council	adopted	Pass

A Resolution Regarding Certain Changes to Colorado Springs Utilities' Utilities Rules and Regulations

Presenter:

Jerry Forte, P.E., CEO, Colorado Springs Utilities

Summary:

At the January 26 City Council meeting, City Council will be asked to approve the attached Resolution. The Resolution changes Utilities Rules and Regulations ("URR") to eliminate inactive and abandoned status and reconnection charges for previously classified inactive and abandoned services lines for Water and Wastewater services. This change is proposed in tandem with changes made to the City Code to complete the removal of the Inactive and Abandoned reconnection charges. The City Code proposal will be presented by through an Ordinance in tandem with this Resolution.

Previous Council Action:

This issue was most recently addressed by City Council in 2011. Ord. 11-100 addressed reconnection charges and modified the manner in which reconnection charges were calculated.

Background:

Based on customer feedback, economic development input, and Councilmember support, Colorado Springs Utilities ("Utilities") evaluated the current standards relating to the inactive and abandoned status and the associated reconnection charges associated with unused Water and Wastewater service lines. Utilities' evaluation determined that inactive/abandoned process has failed to meet the

intended goal of cost recovery. In actual practice, the inactive/abandoned process has caused customer dissatisfaction and significant administrative costs, while failing to recover significant costs. Consequently, Utilities proposes to remove any future inactive/abandoned status and to remove the established reconnection charge for any Premises previously established as inactive/abandoned. Any Premises that was previously inactive/abandoned or that ceases to receive Water or Wastewater service in the future would be subject to applicable service fees and charges and rules and regulations upon a request to reconnect service.

To implement the proposed change, modifications are required to both the Colorado Springs City Code and the URR. The proposed City Code changes eliminate inactive and abandoned status and reconnection charges for previously classified inactive and abandoned services lines for Water and Wastewater services. The URR changes make similar revisions. The proposed URR changes do not require a full rate hearing because, in accordance with City Code Section 12.1.107(D)(2)(f), the proposed changes do not have any adverse impact to any Utilities' customers. Utilities presented the proposal along with the necessary URR and code changes to the Utilities Board Finance Committee on November 25, 2015, and the Utilities Board on December 16, 2015.

Financial Implications:

The proposed change will result in reduced administrative costs and will cause a negligible reduction of costs recovered.

Board/Commission Recommendation:

N/A

Stakeholder Process:

In addition to Utilities Board Finance Committee and the Utilities Board, the issue was vetted through the City's Infill and Redevelopment Steering Committee and the Utilities Policy Advisory Committee (UPAC). All stakeholder groups supported eliminating the reconnection charges.

Alternatives:

Maintain the current standards for classifying a Water or Wastewater service line as inactive or abandoned and the associated reconnection charges.

Proposed Motion:

Move to approve the proposed URR changes.

N/A