



Legislation Details (With Text)

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Title: A Resolution Setting the Gas Cost Adjustment Effective January 1, 2016

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Attachments: 1. GCA Schedule 1 01-01-2016, 2. GCA Sheet 10a - Final, 3. GCA Sheet 10a - Red Line, 4. GCA Resolution 12-08-2015, 5. 15-34 Electric and Gas Cost Adjustments Audit Report, 6. Signed Resolution_143-15

Date	Ver.	Action By	Action	Result
12/8/2015	1	City Council	adopted	Pass

A Resolution Setting the Gas Cost Adjustment Effective January 1, 2016

From:

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

Summary:

Colorado Springs Utilities (Utilities) is requesting a change to the Gas Cost Adjustment (GCA) rate. Current cost projections have decreased forecasted purchased gas expenses. To maintain financial stability and minimize the fluctuations associated with less frequent adjustments during periods of price volatility, Colorado Springs Utilities recommends an GCA rate change from the rate of \$0.2126 per Ccf to a proposed rate of \$0.1726 per Ccf effective January 1, 2016.

Previous Council Action:

On December 8, 2015, City Council resolved to set the GCA at the rate of \$0.2126 per Ccf effective January 1, 2016.

Background:

Colorado Springs Utilities sought approval for the current GCA rate of \$(0.2460) per Ccf at the January 27, 2015 City Council meeting. The GCA rate has remained at the approved level since February 1, 2015. As a component of a fuel and non-fuel rate proceeding filled with City Council on September 22, 2015, Utilities proposed changes to the GCA that restructured and lowered the GCA rate to \$0.2126 per Ccf effective January 1, 2016. The Rate Hearing on the proposed changes was held on November 22, 2015 with City Council Decision and Orders occurring on December 8, 2015. Colorado Springs Utilities staff continues to provide regular updates to the Utilities Board on the collected balance, and will recommend timely changes to the GCA rate as is deemed appropriate.

Colorado Springs Utilities has performed the GCA calculation in conformance with the language in

the GCA tariff.

Financial Implications:

Implementing the proposed GCA rate will impact the respective customer's bill as follows:

Monthly Gas bill:

Typical residential bill at 60 Ccf	=	\$(2.40) or (5.9%)
Typical commercial bill at 1,240 Ccf	=	\$(49.60) (8.5%)
Typical industrial bill at 12,400 Ccf	=	\$(496.00) or (8.9%)

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

Keep the current GCA rate and over collect purchased gas costs

Proposed Motion:

Move adoption of the proposed Resolution

N/A