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Title: Public Hearing for the Consideration of Resolutions Regarding Certain Changes to Utilities Rules and Regulations and Setting Electric, Natural Gas and Water Rates Within the Service Areas of Colorado Springs Utilities

Sponsors:

Indexes:

Code sections:

Attachments: 1. Fall Rate Cases City Auditors Report Final 20151124, 2. 2016_City_Attorney_Instructions-11-18-15, 3. 2016_Rate_Hearing_Agenda-11-18-15, 4. 2016 Rate Hearing - Issues For Decision - 11-18-15, 5. 112415 King slides re rates

Date	Ver.	Action By	Action	Result
11/24/2015	2	City Council	received	
11/24/2015	2	City Council	received	
9/22/2015	1	City Council	referred	Pass

Public Hearing for the Consideration of Resolutions Regarding Certain Changes to Utilities Rules and Regulations and Setting Electric, Natural Gas and Water Rates Within the Service Areas of Colorado Springs Utilities

From:

Jerry Forte, CEO, Colorado Springs Utilities

Summary:

Colorado Springs Utilities requests City Council reserve time on the November 24, 2015 agenda for the public hearing to consider changes reflected in the 2016 Rate Case Filing to its Utilities Rules and Regulations and the Electric, Natural Gas and Water Rate Schedules including certain rates to be effective January 1, 2016.

Previous Council Action:

On September 22, 2015 City Council approved the proposed Public Hearing Date of November 24, 2015 for the Consideration of Resolutions regarding certain changes to Utilities Rules and Regulations and setting Electric, Natural Gas and Water rates within the service areas of Colorado Springs Utilities.

Background:

Colorado Springs Utilities submitted a 2016 Rate Case Filing on September 22, 2105 that included proposed changes to Utilities Rules and Regulations and the Electric, Natural Gas and Water Rate

Schedules to be effective January 1, 2016. Colorado Springs Utilities uses a Cash-Needs method to determine the total Revenue Requirement. This approach is based upon the fact that Colorado Springs Utilities must set rates to recover sufficient revenues to cover all of its cash needs, including debt service obligations and a portion of new capital projects. A major advantage of this technique, often used by government-owned enterprises, is the consistency with budgeting and accounting system used by these entities.

The rate case filing, including the resolutions and all supporting documentation, was made on September 22, 2015. Copies were provided to City Council members, and were made available for public inspection in the City Clerk's office. A pdf file version was also placed on Colorado Springs Utilities website at www.csu.org. Notice of the Public Hearing was made by publication in The Gazette and sent by U.S. mail to those electric and natural gas service customers outside the city limits on September 29, 2015.

Financial Implications:

At the public hearing, Colorado Springs Utilities will propose increases in base (non-fuel) rates for electric and water services and decreases to the ECA and GCA rates.

Board/Commission Recommendation:

Colorado Springs Utilities recommends the public hearing be placed on the agenda on the November 24, 2015 regular City Council Meeting.

Stakeholder Process:

N/A

Alternatives:

If the base revenue is not collected in the form of increased rates, the alternatives that may be available to, but are not recommended by, Colorado Springs Utilities are: increase the level of debt beyond what is reflected in the Financial Forecast, further depleting the available fund balances, and deferring capital projects.

Proposed Motion:

N/A

N/A