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

Presenter:
Sonya Thieme, Rates Manager
Jerry Forte, P.E., CEO, Colorado Springs Utilities

Sponsors:

Indexes:

Code sections:

Attachments: 1. 09-13-2016 CC Request for Hearing and Presentation Rate Filing, 2. 10-25-16 CC 2017 Rate Hearing Presentation, 3. 2017_CAO_Instructions, 4. 2017_Issues For Decision, 5. 2017_Rate_Hearing_Agenda, 6. Revised 10-25-16 CC 2017 Rate Hearing Presentation, 7. 10-25-16 City Council Requested Data

Date	Ver.	Action By	Action	Result
10/25/2016	1	City Council	received	
9/13/2016	1	City Council	approved	Pass

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

Presenter:

Sonya Thieme, Rates Manager
Jerry Forte, P.E., CEO, Colorado Springs Utilities

Summary:

Colorado Springs Utilities requests City Council reserve time on the October 25, 2016 agenda for a public hearing to consider changes reflected in the 2017 Rate Case Filing to its Utilities Rules and Regulations and the Electric, Water, and Wastewater Rate Schedules, including certain rates to be effective January 1, 2017.

Previous Council Action:

On September 13, 2016 City Council approved the proposed Public Hearing Date of October 25, 2016 for the Consideration of Resolutions regarding certain changes to Utilities Rules and Regulations and setting Electric, Water, and Wastewater rates within the service areas of Colorado Springs Utilities.

Background:

Colorado Springs Utilities submitted a 2017 Rate Case Filing on September 13, 2016 that included proposed changes to Utilities Rules and Regulations and the Electric, Water, and Wastewater Rate Schedules to be effective January 1, 2017. 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 13, 2016. 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 21, 2016.

Financial Implications:

At the public hearing, Colorado Springs Utilities will propose increases and decreases to base (non-fuel) rates for Electric service, increases in rates for Water service, increases and decreases to rates for Wastewater services. The Utilities Rules and Regulation changes will propose decreases to Water and Wastewater Development Charges and increase fee amounts collected through Electric and Gas Line Extensions.

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

If the City Council does not reserve time on the October 25, 2016 agenda for a public hearing to consider changes reflected in the 2017 Rate Case Filing, the alternatives if revenue is not collected in the form of increased rates 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