



## Legislation Text

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**File #:** 16-755, **Version:** 1

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### **A Resolution Setting the Gas Cost Adjustment Effective February 1, 2017**

#### **Presenter:**

Sonya Thieme, Rates Manager  
Jerry Forte, P.E., Chief Executive Officer, Colorado Springs Utilities

#### **Summary:**

Colorado Springs Utilities (Utilities) is requesting a change to the Gas Cost Adjustment (GCA) rate effective February 1, 2017. Consistent with Cost Adjustment Guidelines, the adjustment proposes a GCA rate of \$0.2618 per Ccf that is \$0.0803 per Ccf greater than the current effective rate of \$0.1815 per Ccf.

#### **Previous Council Action:**

On October 25, 2016, City Council approved the current GCA rate of \$0.1815 per Ccf effective November 1, 2016 by Resolution 110-16.

#### **Background:**

Utilities sought approval for the current effective GCA rate of \$0.1815 per Ccf at the October 25, 2016 City Council meeting. The GCA rate has remained at the approved level since November 1, 2016. Utilities' staff continues to provide regular updates to the Utilities Board and will recommend timely adjustments to the GCA rate per the Cost Adjustment Guidelines. GCA rate calculations are in conformance with the GCA tariff.

#### **Financial Implications:**

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

Monthly Gas bill:

- Typical Residential gas bill increase of \$4.82 or 12.4%
- Typical Commercial gas bill increase of \$99.57 or 18.3%
- Typical industrial gas bill increase of \$995.72 or 19.1%

#### **Board/Commission Recommendation:**

N/A

#### **Stakeholder Process:**

N/A

#### **Alternatives:**

The GCA Alternative is not in compliance with the Cost Adjustment Guidelines and proposes a rate of \$0.2367 per Ccf that is \$0.0552 per Ccf greater than the current effective rate of \$0.1815 per Ccf

effective February 1, 2017. This alternative projects continued under collection of purchased gas costs and GCA collected balances that remain within the targeted band.

**Proposed Motion:**

Move adoption of the proposed resolution.

N/A