



Legislation Text

File #: 16-00044, Version: 1

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

Presenter:

Jerry Forte, P.E., Colorado Springs Utilities

Summary:

Colorado Springs Utilities (Utilities) is requesting a change to the Gas Cost Adjustment (GCA) rate. Current cost projections reflect decreased forecasted purchased gas expenses. Consistent with the Cost Adjustment Guidelines, Utilities proposes a GCA rate adjustment from the current effective rate of \$0.1726 per Ccf to a proposed rate of \$0.0819 per Ccf effective February 1, 2016.

Previous Council Action:

On December 8, 2015, by Resolution No. 143-15, City Council resolved to set the GCA at the rate of \$0.1726 per Ccf effective January 1, 2016.

Background:

Utilities sought approval for the current effective GCA rate of \$0.1726 per Ccf at the December 8, 2015 City Council meeting. The GCA rate has remained at the approved level since January 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 bill at 60 Ccf	=	\$(5.45) or (14.2%)
Typical commercial bill at 1,240 Ccf	=	\$(112.46) (21.1%)
Typical industrial bill at 12,400 Ccf	=	\$(1,124.68) or (22.0%)

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