



Legislation Text

File #: 16-572, Version: 1

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

Presenter:

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

Summary:

Colorado Springs Utilities (Utilities) is requesting a change to the Gas Cost Adjustment (GCA) rate. Consistent with the Cost Adjustment Guidelines, GCA Alternative 1 proposes a rate adjustment from the current effective rate of \$0.1368 per Ccf to a proposed rate of \$0.1815 per Ccf effective November 1, 2016.

Previous Council Action:

On July 26, 2016, City Council approved the current GCA rate of \$0.1368 per Ccf effective August 1, 2016 by Resolution 77-16.

Background:

Utilities sought approval for the current effective GCA rate of \$0.1368 per Ccf at the July 26, 2016 City Council meeting. The GCA rate has remained at the approved level since August 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 Alternative 1 GCA rate will impact the respective customer's natural gas bill as follows:

Monthly Gas bill:

- Typical Residential gas bill increase of \$2.68 or 7.4%
- Typical Commercial gas bill increase of \$55.43 or 10.7%
- Typical industrial gas bill increase of \$554.28 or 11.9%

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives: GCA Alternative 2 maintains the current GCA rate and continues to under collect purchased gas costs. Additional information related to GCA Alternative 2 is attached.

Proposed Motion:

To be provided once cost projections and Utilities Board direction is finalized.

N/A