



Legislation Details (With Text)

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Title: A Resolution Setting the Gas Cost Adjustment Effective August 1, 2016

Presenter:
Sonya Thieme, Pricing Manager
Jerry Forte, P.E., Chief Executive Officer

Sponsors:

Indexes:

Code sections:

Attachments: 1. GCA Resolution 7-26-2016, 2. 05 - GCA Schedule 1 (07-26-2016), 3. 04 - GCA Sheet 10a - Final, 4. 03 - GCA Sheet 10a - Redlined, 5. Signed Resolution 77-16.pdf

Date	Ver.	Action By	Action	Result
7/26/2016	1	City Council	adopted	Pass

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

Presenter:

Sonya Thieme, Pricing Manager
Jerry Forte, P.E., Chief Executive Officer

Summary:

Colorado Springs Utilities (Utilities) is requesting a change to the Gas Cost Adjustment (GCA) rate. Current cost projections reflect increased forecasted purchased gas expenses. Consistent with the Cost Adjustment Guidelines, Utilities proposes a GCA rate adjustment from the current effective rate of \$0.0819 per Ccf to a proposed rate of \$0.1368 per Ccf effective August 1, 2016.

Previous Council Action:

On January 26, 2016, by Resolution No. 11-16, City Council resolved to set the GCA at the rate of \$0.0819 per Ccf effective February 1, 2016.

Background:

Utilities sought approval for the current effective GCA rate of \$0.0819 per Ccf at the January 26, 2016 City Council meeting. The GCA rate has remained at the approved level since February 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	=	\$3.30 or 10.0%
Typical commercial bill at 1,240 Ccf	=	\$68.07 or 16.2%
Typical industrial bill at 12,400 Ccf	=	\$680.76 or 17.1%

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

Keep the current GCA rate and under collect purchased gas costs.

Proposed Motion:

Move adoption of the proposed resolution.

N/A