



Legislation Text

File #: 17-1150, **Version:** 1

A Resolution regarding Certain Additions and Changes to Colorado Springs Utilities' Electric Rate Tariff

Presenter:

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Summary:

The resolution implements a new hydropower sales tariff in the Military Electric Contract tariffs and revises the Military Electric ECW Contract tariff to allow the new hydropower sales to be transmitted and distributed under the ECW tariff.

Previous Council Action:

N/A

Background:

The Fort Carson Military Installation has sought an increase in renewable energy for the post. The Southeastern Colorado Water Conservancy District is constructing a small hydroelectric facility at the Pueblo Dam; Fort Carson is interested in purchasing some of the output of that facility. However, the District is restricted to wholesale sales of electricity. Colorado Springs Utilities worked with Fort Carson and the District to allow CSU to purchase the hydroelectric power and then resell that power to Fort Carson. The District and Fort Carson negotiated a price for hydroelectric power for an approximate 10-year period and received approval from its command and Army Headquarters to purchase the hydroelectric power. CSU will purchase the hydroelectric power and resell the power to Fort Carson at the same price. CSU will move the power to Fort Carson under the ECW Contract rate similar to how CSU moves the Western Area Power Administration hydroelectric power already purchased by Fort Carson. The new sales tariff and the revised ECW tariff will permit CSU to sell the power and to move the power.

Financial Implications:

CSU will no longer sell a small amount of electric power to Fort Carson. The loss of sales may reduce CSU's non-fuel electric revenues by up to \$200,000. CSU receives a 'Demand Side Management' benefit about equal to this cost.

Board/Commission Recommendation:

The Utilities Board supported the sale of hydroelectric power to Fort Carson.

Stakeholder Process:

N/A

Alternatives:

The alternative is not to approve the new tariff and the revised tariff. If the tariffs are not approved, the hydropower sale to Fort Carson will not occur.

Proposed Motion:

Move approval of the Resolution regarding Certain Additions and Changes to Colorado Springs Utilities' Electric Rate Tariffs.

N/A