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A resolution setting the Gas Cost Adjustment and Gas Capacity Charge effective November 1, 2017

Presenter:
Sonya Thieme, Rates Manager
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Summary:
Colorado Springs Utilities (Utilities) is requesting changes to the Gas Cost Adjustment (GCA) and Gas Capacity Charge (GCC) rates effective November 1, 2017. Consistent with the Cost Adjustment Guidelines, the proposed GCA adjustment changes the current effective rate of $0.2367 per Ccf to a proposed rate of $0.2090 per Ccf. The proposed GCC changes increase the rates by Rate Class consistent with capacity allocation.

Previous Council Action:
On January 24, 2017, City Council approved the current GCA rate of $0.2367 per Ccf effective February 1, 2017 by Resolution 9-17. On December 8, 2015, City Council approved the current GCC rates effective January 1, 2016 by Resolution 139-15.

Background:
The GCA rate has remained at the approved level since February 1, 2017. The GCC rates have remained at the approved level since January 1, 2016. Utilities' staff continues to provide regular updates to Utilities Board and will recommend timely adjustments to the GCA rate per the Cost Adjustment Guidelines. Utilities' staff will conduct an annual review of GCC in July and update the Utilities Board Finance Committee and Utilities Board of any proposed adjustments.

Financial Implications:
Implementing the proposed rates will impact the respective customer's gas bill as follows:
  Monthly Gas bill:
    Typical Residential gas bill decrease of $2.05 or 4.8%
    Typical Commercial gas bill decrease of $39.69 or 6.5%
    Typical industrial gas bill decrease of $396.80 or 6.7%

Board/Commission Recommendation:
N/A

Stakeholder Process:
N/A

Alternatives:
N/A
Proposed Motion:
Move adoption of the proposed resolution.

N/A