Colorado Springs Utilities isn't like most utility providers. We serve the community that owns us. We’re a municipally owned four-service utility providing electric, natural gas, water and wastewater services to business and residential customers in the Pikes Peak region. With competitive rates, we consistently rank among the best midsized utilities in the nation for customer service and reliability. We prioritize today’s customer and infrastructure needs with the future impact of legislative changes and customer growth in mind. Colorado Springs Utilities is dedicated to continuously enhancing our community and teaming up with like-minded businesses, organizations and individuals.

Our customers enjoy:
- 99.9954 percent electric reliability and quick power restoration (ASAI) (2018 YTD)
- Our average power interruption duration is 43.19 minutes (SAIDI) (2018 YTD)
- Competitive rates: We offer numerous pricing options for businesses
- Four services conveniently provided through one organization, one bill, one customer service contact
- Approximately 75 percent of our electric lines are underground
- A diverse fuel mix for electric generation including 11 percent in renewables (2018)
- A variety of efficiency rebates to assist customers who invest in efficient products
- Secured water rights to some of the cleanest, best-tasting water in the nation for future growth
- We have installed equipment to significantly reduce our sulfur dioxide and nitrogen oxide emissions at our two coal-fired power plants to further improve our air quality
- Dedicated economic development staff to help your business thrive

If you compare our electric rates to utilities in other urban areas, you’ll see ours are below the national average and are competitive with other Western urban regions.
BENEFITS OF WORKING WITH COLORADO SPRINGS UTILITIES

AA+ Rating
In May 2019, S&P Global Ratings (Standard & Poor's) issued a credit upgrade for Colorado Springs Utilities from AA to AA+. This increase will result in improved investor interest in our bonds and lower interest rates when we issue new bonds.

Factors in the rating increase include:
- Colorado Springs Utilities' financial plan, commitment to financial discipline and metrics.
- Our plans to reduce our reliance on coal generation resources. We will take our renewable energy mix from 11 percent of our generation to more than 20 percent by 2024 allowing us to power more than 75,000 homes annually with solar energy.
- Our very strong service area economic fundamentals, reflecting our large, primarily residential and diverse customer base.
- Our financial policies and practices are also very strong, including regularly-updated strategic plans, multi-year capital planning and financial forecasts, and an automatic power cost adjustment mechanism.

Community Commitment
Colorado Springs Utilities believes there is nothing more powerful than strong communities, and we welcome opportunities to have a positive and lasting impact on the quality of life for those we serve.

- In March 2019, we granted $256,000 to 13 local nonprofit organizations in support of affordable housing, transitioning the community's homeless to housing security.
- In 2018, 891 employee volunteers, family and friends volunteered 4,549 hours as they participated in 891 non-profit projects and events. Unlike many other utility companies, our employees are not paid for their volunteer efforts.
- In 2018, Project COPE, our utilities assistance program which provides utilities payment assistance to families and individuals struggling financially, provided 2,643 households with $985,323 in utilities assistance.
Typical Rates*/kWh as of May 1, 2019:

<table>
<thead>
<tr>
<th>If thresholds occur in any 12-month billing period</th>
<th>Typical cost per kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
</tr>
<tr>
<td>General &gt;33 kWh (E2C)</td>
<td>$0.0963</td>
</tr>
<tr>
<td><strong>Industrial</strong></td>
<td></td>
</tr>
<tr>
<td>&gt;1,000 kWh/day (ETL)</td>
<td>$0.0881</td>
</tr>
<tr>
<td>&gt;500 kW demand (E8T)</td>
<td>$0.0642</td>
</tr>
<tr>
<td>&gt;4,000 kW demand (E8S)</td>
<td>$0.0693</td>
</tr>
<tr>
<td>&gt;4,000 kW demand w/&gt;75% load factor (ELG)</td>
<td>$0.0517</td>
</tr>
</tbody>
</table>

Contract Options available for:
- Curtailment
- Wind/Renewable Power
- Large/Unique Power Users
- Distributed Generation
- Solar Power Net Metering
- Redundant Power (EPS)

* Based on typical customer bills for each rate class. Actual rates will vary depending on customer consumption and demand.
Colorado Springs Utilities completed a new Energy Vision in 2019. The new Energy Vision will be our guiding principles that drive strategic decisions about our energy future, including environmental, economic and resiliency considerations and encouraging innovative strategies.

**Energy Vision statement:**

Provide resilient, reliable and cost-effective energy that is environmentally sustainable, reduces our carbon footprint and uses proven state-of-the-art technologies to enhance our quality of life for generations to come.

Additionally, work will commence on the Electric and Natural Gas Integrated Resource Plans in 2019. These plans will address how we will meet our community’s energy needs over the next couple of decades.
# Natural Gas Service

## System Statistics

- 5 gate stations through which we receive natural gas from our distributors
- 1 propane air plant
- 2,586 miles of natural gas distribution mains
- 2,841 miles of natural gas service lines
- 527 square miles of natural gas service area
- 204,944 natural gas service points

## System Capacity

- 266,786 Mcf @ 14.73 psi peak demand for natural gas (2011)
- 21,891,949 Mcf @ 14.73 psi annual natural gas usage (2017)

<table>
<thead>
<tr>
<th>Typical Rates*/ccf as May 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial</strong></td>
</tr>
<tr>
<td>Large &gt;10 ccf (G1CL)</td>
</tr>
<tr>
<td>Seasonal: November – April (G1S)</td>
</tr>
<tr>
<td>Seasonal: May – October (G1S)</td>
</tr>
<tr>
<td><strong>Industrial</strong></td>
</tr>
<tr>
<td>Interruptible (G2I)</td>
</tr>
<tr>
<td>Transportation (G4T)</td>
</tr>
</tbody>
</table>

**Contract Options available for:**
- Daily/Monthly Index

*Based on typical customer bills for each rate class. Actual rates will vary depending on customer consumption and demand.*

[Colorado Springs Utilities: it's how we're all connected]
Powering change starts with powering the now. We operate a local distribution system to supply natural gas to customers within the City of Colorado Springs, Manitou Springs, the U.S. Air Force Academy, a portion of Fort Carson and unincorporated sections of El Paso County. We’re proud to serve the game changers, new businesses and creative visionaries growing throughout our community.

Our distribution infrastructure is expanding as our customer base continues to grow in correlation with Colorado Springs and the surrounding area’s growth rate.

Gas is purchased, under contract, from several suppliers inclusive of national marketing as well as national and regional production companies. Contract storage as well as a propane air plant help meet peak demand needs.

For our customers:

- Natural gas is the preferred fuel for space and water heating
- Saturation of gas service to residences and business is nearly 100 percent

To minimize cost fluctuations to customers, we:

- Manage gas purchase agreement contracts with multiple vendors
- Maintain and manage a diversified portfolio of contracted supplies and assets
- Reduce overall customer costs by contracting third-party transportation and storage capacity and release short-term capacity surpluses back to the market
Typical Rates/Meter size as of May 1, 2019:

<table>
<thead>
<tr>
<th>Commercial Service in City Limits</th>
<th>Typical Price Per Gallon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Residential (W-G)</td>
<td>$0.0086</td>
</tr>
<tr>
<td>Non-Seasonal (WLNS)</td>
<td>$0.0063</td>
</tr>
</tbody>
</table>

Other Rate Options available for:
- Non-Potable Water Service
- Augmentation for groundwater usage by private well owners
- Large Potable - Irrigation rate for conservation
- Water Service Outside City Limits

* Based on typical customer bills for each rate class. Actual rates will vary depending on customer consumption and demand.
As an enterprise of the City of Colorado Springs, we own water rights, collect, transport, treat, and deliver water to our customers in the Pikes Peak region.

- First-melt snow is the water source; very pure and requiring minimal treatment to meet potable standards
- Most of our water comes through the Homestake and Blue River systems that draw water across the Continental Divide from the mountains far northwest of Colorado Springs
- We own water rights to water from three of eight major river basins in the state of Colorado: Colorado, South Platte, and Arkansas basins
- We own and maintain a complex network of storage reservoirs, water delivery systems, and related water infrastructure
- We monitor water supply, mountain snowpack and fluctuating drought conditions
- We operate a water supply system designed to withstand recurring drought cycles
- Our customers are first-use water consumers
- Our released water is reused 13 to 26 times as it moves through the state of Colorado, eventually passing 200 cities before reaching the Gulf of Mexico
- Less than 2 percent of our water supply is from groundwater, which is more expensive to retrieve and treat

To ensure water into the future, we recently invested in construction of the Southern Delivery System (SDS):

- $1 billion pipeline project completed in 2016
- Initially adds 50 million gallons/day to Colorado Springs; capacity is 130 million gallons/day
- Serves as a second water source from the south, connecting Colorado Springs to its water supply held in Pueblo reservoir
- Water flows through three pump stations into the new Edward W. Bailey Water Treatment Plant in northern Colorado Springs
- Ensures Colorado Springs water supply needs are met until 2050

The average community use per person, per day of water is 138 gallons.
### WASTEWATER SERVICE

<table>
<thead>
<tr>
<th>SYSTEM STATISTICS</th>
<th>SYSTEM RELIABILITY</th>
<th>SYSTEM CAPACITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 3 wastewater treatment facilities</td>
<td>• 0.23 number of wastewater sanitary sewer overflows / 100 miles of mainline (pipes) (Apr 2019)</td>
<td>• 95 MGD combined permitted treatment capacity</td>
</tr>
<tr>
<td>• 1 solids handling facility</td>
<td>• 0.23 number of wastewater failures / 100 miles of mainline (pipes) (Apr 2019)</td>
<td>• 37.58 MGD annual average wastewater treatment (2017)</td>
</tr>
<tr>
<td>• 1,736 miles of sewer main (pipes)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 195 square miles of wastewater service area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 141,729 wastewater service points</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Average Rates
- Colorado Springs Utilities does not meter wastewater flow
- Wastewater charges are based on water consumption volumes and meter size
- We have varying wastewater rate adjustments to accommodate special use conditions such as:
  - Laundries
  - Swimming pools
  - Ice rinks
  - Irrigation
  - Mechanical equipment
  - Greenhouses
  - Cooling towers/evaporative coolers
  - Other certain commercial operating processes
Colorado Springs is known as a city of leadership and innovation, and we’re no different. We maintain the largest single-operator sanitary system in Colorado. We continually prepare for future customer demand, while planning and maintaining for local, state and national environmental and regulatory requirements. Capital improvement programs focus resources to rehabilitate and enhance infrastructure needs while upholding environmentally sound practices, customer services and experiences. We work to Change the Current by strengthening the present while planning for the future.

At Colorado Springs Utilities, we:

- Maintain water reclamation facilities that use state-of-the-art ultraviolet light disinfection, not chlorine
- Monitor and manage infrastructure and resources in conjunction with Colorado Department of Public Health and Environment (CDPHE) regulations and in conjunction with the Wastewater System Improvement Programs
- Monitor, rehabilitate, repair, or replace large diameter sanitary sewer pipes in ongoing compliance with Pueblo County 1041 permit in regards to the construction of the Southern Delivery System within Pueblo County

Each year, Colorado Springs Utilities processes approximately 30,000 samples for the wastewater plants, power plants, gas distribution, electric distribution and industrial pretreatment. Some of this analysis is required to meet state and federal standards such as the Clean Water Act, Air Permit, and Resource Conservation and Recovery Act (RCRA) standards, while others are part of quality testing, such as taste and odor.

We partner with small neighboring water districts to process their wastewater through our treatment system.

**Wise resource stewards:**

At the J.D. Phillips Water Reclamation Facility, Colorado Springs Utilities treats wastewater in an innovative and environmentally healthy way. We sanitize wastewater using ultraviolet disinfectors and locally produced natural whey byproducts, which provide carbon that increases the biological removal of nitrogen and phosphorous. This effort helps minimize harsh chemicals that might otherwise harm our natural local and regional water streams and tributaries.

The plant is designed to treat 20 MGD, and currently is treating approximately 8 MGD. This facility was planned and built for higher per capita flow assumptions than the current demand. The build-out flow is approximately 12 MGD with an excess treatment capacity of approximately 8 MGD.
We understand the needs of our customers. We ourselves, are a major manufacturer providing electric, natural gas, water and wastewater services to other industries in the Pikes Peak Region.

Our dedicated team and services make your decision making easier in each phase of the process, from site selection, energy planning and technical engineering, to financing – all the way through ongoing operations.

Our staff of economic development experts can help:

- Plan and estimate utility costs
- Facilitate site tours and field visits
- Lend guidance on electrical and infrastructure requirements
- Provide GIS data and mapping
- Coordinate on-site energy audits
- Administer Economic Development Special Contracts allowing utility specific incentives

**Economic Development Special Contracts**

For economic development benefit, Colorado Springs Utilities has the ability to enter into exclusive contractual agreements with commercial customers. These contracts have proven to be extremely advantageous for prospect companies to ease upfront capital outlay, advance operational timelines and accelerate business growth.

We work directly and aggressively with you to develop a mutually beneficial arrangement to achieve your targets and realize sustained success. Contracts can be executed for the following but are not limited to:

- Fee deferrals for Utilities charges and fees
- Cost participation for relocations, extensions and capacity improvements
- Special rates for utility products and services

Colorado Springs Utilities’ economic development contracts have been used to leverage commercial customer savings from $10,000 to over $2 million.
Our team helps businesses prosper, communities flourish and people thrive across the region. Contact one of our team members to further discuss your business expansion, business retention or your new business project.

Feel free to call us at: 719.668.7123 or email inquiries to: oedmail@csu.org

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Business Account Manager

Jessica Thiel  
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Project Manager II

We’re different from most utility providers, because we work, play and live in the community we serve. We’re owned and inspired by our citizens.

We value our community partnerships and believe that collaboration makes our business customers more successful.

We’re in this together so let’s get to work on building your business and making Colorado Springs the best place for you to prosper and thrive.
ENHANCED POWER SERVICE

Colorado Springs Utilities customers benefit from some of the lowest rates and highest reliability in the country, with an Average System Availability Index of 99.9954% (2018). Although our energy is exceptionally reliable, we recognize that some customers require a greater level of availability than our standard commercial service. For those customers, Colorado Springs Utilities offers Enhanced Power Service, often referred to as “dual feed” or “redundant service.” This service is advantageous to data centers, hospitals and high-tech manufacturing.

Designing and constructing redundant electric service is often complex and unique based on the requirements of the customer and Colorado Springs Utilities. Therefore, we have an experienced, dedicated team to review and identify the best avenue to address the needs of the customer as well as how Colorado Springs Utilities will accommodate future energy load growth in the area.

Once Colorado Springs Utilities receives a request for Enhanced Power Service, we will, at no cost to the customer, customize a rough order-of-magnitude estimate to bring Enhanced Power Service to the customer’s site. In order to expedite the estimating process, we will request budget, scope and schedule information as we utilize an iterative estimating process as the level of project definition increases. Colorado Springs Utilities will design and construct the preferred and alternate feeds in accordance with our design guidelines, line extension and service standards, and electric distribution construction standards. Typically, the cost to construct the alternate feed is funded by the customer requesting the service.

To learn more about how Enhanced Power Service can benefit your business, contact the Office of Economic Development at 719.668.7123 or e-mail inquiries to oedmail@csu.org.
Colorado Springs Utilities offers two options to enable load transfer from one source to another. The first option is an automatic transfer switch that transfers load in approximately 5 to 10 seconds. The second option is for the customer to install, own, operate and maintain their own transfer equipment. Additionally, customers with greater than 4 MW demand may request electric primary meter service.

Depicted below is a typical Enhanced Power Service configuration for a customer with dual feeds and secondary service:

During construction, the customer is responsible for onsite sub-structure and preparation, including conduit installation and excavation. Upon energization, the customer is responsible for all equipment downstream from the Point of Common Coupling. Ownership and responsibility for operations, maintenance and repair of the Enhanced Power Service equipment changes at the Point of Common Coupling. Colorado Springs Utilities does not guarantee that Enhanced Power Service will provide uninterrupted service or eliminate voltage disturbances.

One of the benefits of Enhanced Power Service includes 365x24x7 standby engineering support from a team of power engineers with 40+ years of combined experience in the electric utility industry. Following a power disturbance, the standby engineer coordinates with Colorado Springs Utilities’ Energy Control Center and the customer to troubleshoot and coordinate a response. Once a cause is determined, the standby engineer provides a written report with event details.

The ongoing charges for this optional service include a Reserved Capacity Charge and an Operations & Maintenance Charge. The Reserved Capacity represents the amount of capacity that the customer is reserving that is unavailable for use to other customers. The Operations & Maintenance Charge is a flat monthly charge that is based on the ratio of the customer’s 5-year load projection to the circuit capacity multiplied by such factors as replacement cost, depreciation, Operations & Maintenance cost per system mile and miles to the customer site.