

Electric and gas cost adjustments



Natural gas prices continue to rise globally and are almost 100% higher than this time last year because of supply concerns and rising demand. Prices have hit highest levels seen nationally since 2014 and could exceed current projections if winter is especially cold. Most consumers will be impacted by rising costs as natural gas is commonly used to heat homes and is a fuel source for electric generation.

As a non-profit, community-owned utility, we pass changes in fuel costs — up or down — to our customers. We monitor fuel costs monthly and usually ask for natural gas and electric cost adjustments (GCA and ECA) quarterly.

City Council approved increases to the GCA and ECA Nov. 9. The new rates take effect Nov. 15.

This is expected to be a short-term increase. The current forecast indicates possible decreases in February and May 2022. The cost adjustment increases that resulted from last February's winter storm that affected most of the U.S. will also expire by May 1, 2022.

Helping hand

We offer flexible payment and assistance programs to meet our customers' needs.



Assistance programs

- **Pikes Peak United Way:** Call 211 to apply for utilities bill assistance and other essential services.
- **Low-income Energy Assistance Program (LEAP):** Federally funded program that helps with utility costs.
- **Home Energy Assistance Program (HEAP):** In-home energy and water efficiency audits and upgrades.
- **Project COPE:** Offers emergency utilities payment assistance regardless of income.

Rebates and tips

We offer energy- and water-efficient rebates and tips to help residential and business customers save money.

Learn more: csu.org | (719) 448-4800

Residential Rate Changes	Sample bill (Oct. 1, 2021)	Sample bill (Nov. 15, 2021)	Increase/decrease	Percent change
Electric	\$93.22	\$105.82	+\$12.60	13.5%
Natural Gas	\$59.41	\$75.33	+\$15.92	26.8%
Total*	\$260.94	\$289.46	+\$28.52	10.9%

Commercial Rate Changes	Sample bill (Oct. 1, 2021)	Sample bill (Nov. 15, 2021)	Increase/decrease	Percent change
Electric	\$620.83	\$728.83	+\$108	17.4%
Natural Gas	\$998.72	\$1,327.69	+\$328.97	32.9%
Total*	\$1,967.02	\$2,403.99	+\$436.97	22.2%

Industrial Rate Changes	Sample bill (Oct. 1, 2021)	Sample bill (Nov. 15, 2021)	Increase/decrease	Percent change
Electric	\$35,619.34	\$42,819.34	+\$7,200	20.02%
Natural Gas	\$9,774.94	\$13,064.66	+\$3,289.72	33.7%
Total*	\$49,877.75	\$60,367.47	+\$10,489.72	21%

*Total sample bill dollar amounts include water and wastewater services. These are available on csu.org.

2022 budget and rate case

Budget summary

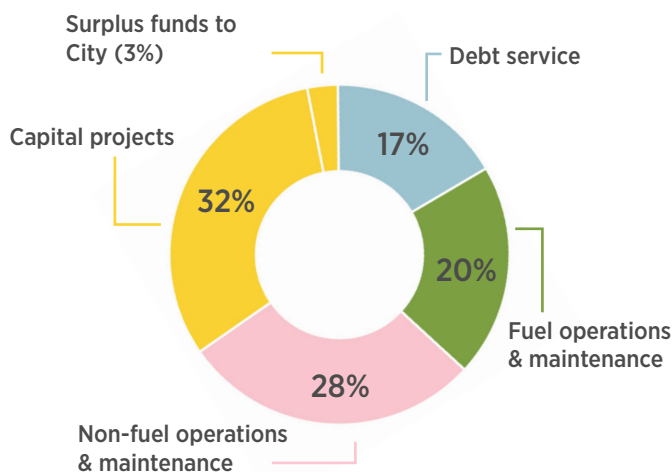
Every fall, we file our budget proposal for the next year for public review and consideration by City Council, of whose members also serve as our Utilities Board.

Our 2022 budget is \$1.2 billion, 10.9% higher than the 2021 approved budget.

The primary budget driver is capital projects which make up 31.6% of the 2022 budget appropriation. These projects are needed to maintain and improve aging infrastructure, provide safe and reliable services, prepare for future demand, and meet environmental and regulatory requirements.

Rising fuel costs and funds for several significant system upgrades also drove the increased budget. In 2022, we will continue our multi-year project to upgrade customer meters and several internal technology systems. Additionally, we have costs associated with the expansion of our electric and water systems to support community growth.

2022 Budget: \$1.2 billion



TIMELINE

Nov. 9 City Council meeting

- ECA/GCA changes approved
- 2022 rate case public hearing
- First reading 2022 budget

Nov. 15 ECA/GCA changes effective

Nov. 23 City Council meeting

- 2022 rate case vote
- Second reading and vote on 2022 budget

Jan. 1, 2022 2022 rate case and budget effective

Rate case

While we typically pass along changes in fuel costs to customers quarterly through ECA and GCAs (driven by national and international market changes), the cost to maintain our systems are reviewed and adjusted annually if necessary.

We recognize the financial challenges everyone is facing and are not increasing base rates for 2022. Although costs for supplies and equipment have increased, we've adjusted plans and reprioritized work to keep base rates flat for next year.

We do have a new water resource fee, for new water connections, in the 2022 rates. The fee will help cover costs associated with the necessary expansion of the water system to meet the needs of our rapidly growing community.

Over the last year, we collaborated with local developers on a solution. The water resource fee is about \$5,800 per newly constructed single-family residential home.

The first phase (\$2,900) will be implemented in July 2022, with phase two taking effect in July 2023.