

Colorado Springs Utilities

*It's how we're all connected*

# 2024 Rate Case

# Supplemental Filing

October 17, 2023



**Date:** October 17, 2023  
**To:** Members of City Council  
**From:** Scott Shirola, Pricing and Rates Manager  
**Subject:** **SUPPLEMENTAL INFORMATION FOR COLORADO SPRINGS UTILITIES' 2024 RATE CASE FILING**

Colorado Springs Utilities (Utilities) has prepared supplemental information for the 2024 Rate Case originally submitted September 12, 2023. The supplemental material conforms to the requirements of Rules and Procedures of City Council, Part 4 - Utilities Pricing and Tariff Hearing Procedure, Section 1.A.6.

The attached packet contains revised and new information:

- Revised Information
  - Clerical corrections are incorporated to reflect Utilities' most current revision to Natural Gas Rate Schedules, Sheet No. 2.4, as approved on June 27, 2023.
    - Natural Gas Resolution, change reference of Sheet No. 2.4 from Twenty-Second Revised to Twenty-Third Revised
    - Natural Gas Redline and Final Tariff Sheets, change reference of Sheet No. 2.4 from Twenty-Second Revised to Twenty-Third Revised
  - Reduction in the proposed Nonresidential Trip Fee of \$100.00 to \$70.00, in Utilities Rules and Regulations, is incorporated in order to avoid complex system configurations required to charge different fees to Residential and Nonresidential premises. Reducing the proposed Nonresidential fee to be consistent with the proposed Residential fee of \$70.00 simplifies system implementation.
    - Utilities Rules and Regulations Report, change reference of proposed Nonresidential Trip Fee from \$100.00 to \$70.00
    - Utilities Rules and Regulations Redline and Final Tariff Sheets, Second Revised Sheet No. 13, change Non-Residential Trip Fee from \$100.00 to \$70.00
  - Clerical corrections are incorporated to Utilities Rules and Regulations Redline and Final Tariff Sheets to comprehensively reflect the proposed change from \$10.00 to \$40.00 in the Additional charge for after-hours restorations, as noted in the Utilities Rules and Regulations Report. Reference to Additional charge for after-hours restorations of \$25.00 is corrected on Second Revised Sheet No. 13 to reflect the proposed fee of \$40.00.
- New Information
  - Legal Notice – Affidavit of Publication
  - Public Outreach
  - Office of the City Auditor – Audit Report

Revised  
Information

# **Natural Gas Resolution**

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION SETTING NATURAL GAS RATES WITHIN THE SERVICE AREA OF COLORADO SPRINGS UTILITIES AND REGARDING CERTAIN CHANGES TO NATURAL GAS RATE SCHEDULES**

**WHEREAS**, Colorado Springs Utilities (Utilities) analyzed the cost of providing natural gas utility service to its Customers and analyzed its current and expected revenue needs; and

**WHEREAS**, natural gas service revenues will need to increase by approximately \$5.0 million; and

**WHEREAS**, Utilities proposed to modify the Residential, Commercial, Industrial, and Contract Service non-fuel rates to reflect the appropriate cost for the service; and

**WHEREAS**, Utilities proposed to modify the Interruptible Prescheduled rates; and

**WHEREAS**, Utilities proposed to modify balancing charges applicable to certain Industrial services; and

**WHEREAS**, in 2021 the Colorado State Legislature passed Senate Bill 21-264 requiring natural gas utilities to adopt programs that encourage customers to reduce emissions generated by natural gas-based appliances and heating equipment; and

**WHEREAS**, Utilities filed its Clean Heat Plan with the State to meet the tenets of this legislation; and

**WHEREAS**, Utilities proposed a new natural gas charge, referred to as the Colorado Clean Heat Plan Charge, to recover the cost of programs needed to meet Colorado's Clean Heat Plan law; and

**WHEREAS**, Utilities proposed to make the natural gas rate schedule tariff changes effective January 1, 2024, as noted in the table below; and

**WHEREAS**, the details of the changes noted above are reflected in Utilities' 2024 Rate Case; and

**WHEREAS**, the City Council finds Utilities' proposed modifications prudent; and

**WHEREAS**, the City Council finds that the proposed modifications to the natural gas rate schedules are just, reasonable, sufficient, and not unduly discriminatory and allow Utilities to collect revenues that enable Utilities to continue to operate in the best interest of all its Customers; and

**WHEREAS**, Utilities provided public notice of the proposed changes and complied with the requirements of the City Code for changing its natural gas rate schedules; and

**WHEREAS**, specific rates, policy changes, and changes to any terms and conditions of service are set out in the attached tariffs for adoption with the final City Council Decision and Order in this case.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:**

Section 1: That Colorado Springs Utilities Tariff, City Council Volume No. 6, Natural Gas Rate Schedules shall be revised as follows:

Effective January 1, 2024

<b>City Council Vol. No. 6</b>		
<b>Sheet No.</b>	<b>Title</b>	<b>Cancels Sheet No.</b>
Third Revised Sheet No. 1	TABLE OF CONTENTS	Second Revised Sheet No. 1
Second Revised Sheet No. 2	RATE TABLE	First Revised Sheet No. 2
Third Revised Sheet No. 2.1	RATE TABLE	Second Revised Sheet No. 2.1
Third Revised Sheet No. 2.2	RATE TABLE	Second Revised Sheet No. 2.2
Third Revised Sheet No. 2.3	RATE TABLE	Second Revised Sheet No. 2.3
Twenty-Third Revised Sheet No. 2.4	RATE TABLE	Twenty-Second Revised Sheet No. 2.4
Original Sheet No. 2.5	RATE TABLE	
Original Sheet No. 13	COLORADO CLEAN HEAT PLAN CHARGE	

Section 2: The attached Tariff Sheets, Council Decision and Order, and other related matters are hereby approved and adopted.

Dated at Colorado Springs, Colorado, this 14<sup>th</sup> day of November 2023.

\_\_\_\_\_  
City Council President

ATTEST:

\_\_\_\_\_  
Sarah B. Johnson, City Clerk

**Natural Gas**  
**Redline Tariff Sheets**



<b>NATURAL GAS RATE SCHEDULES</b>
<b>RATE TABLE</b>

Description	Rates	Reference
<b>Monthly Index Option (GCS-G7M)</b>		
Gas Cost, per Mcf	Index	Sheet No. 3.1
Access and Facilities Charge, per day	\$15.1403	
Access and Facilities Charge, per Mcf	<del>\$0.7870</del> <u>\$0.8630</u>	
Gas Capacity Charge (GCC), per Mcf	Sheet No. 2.4	
<u>Colorado Clean Heat Plan Charge, per Mcf</u>	<u>Sheet No. 2.5</u>	
Unauthorized Overrun Charge, per Mcf	Overrun Index	Sheet No. 3.2
<b>Gas Cost Adjustment (GCA)</b>		<b>Sheet No. 11</b>
GCA, per Ccf (G1R), (G1CS), (G1CL), (G1S)	\$0.2308	
GCA, per Mcf (G2I), (GCS-FIRM), (GCS-INTS)	\$2.3080	
<b>Gas Capacity Charge (GCC)</b>		<b>Sheet No. 12</b>
Residential Service – Firm (G1R), per Ccf	\$0.0545	
Commercial Service – Small Firm (G1CS), per Ccf	\$0.0545	
Commercial Service – Large Firm (G1CL), per Ccf	\$0.0483	
Commercial Service – Large Firm (G8M), per Ccf	\$0.0483	
Commercial Service – Large Firm (G1S), per Ccf	\$0.0317	
Industrial Service – Interruptible (G2I), per Mcf	\$0.2170	
Industrial Service – Interruptible (G3M), per Mcf	\$0.2170	
Industrial Service – Interruptible Prescheduled (G3D), per Mcf	\$0.1544	
Contract Service – Military Firm (GCS-FIRM), per Mcf	\$0.4830	
Contract Service – Military Firm (GCS-G6M), per Mcf	\$0.4830	
Contract Service – Military Interruptible (GCS-INTS), per Mcf	\$0.2170	
Contract Service – Military Interruptible (GCS-G7M), per Mcf	\$0.2170	

Approval Date: ~~June 27, 2023~~ November 14, 2023  
 Effective Date: ~~July 1, 2023~~ January 1, 2024  
 Resolution No. ~~93-23~~

**Natural Gas**  
**Final Tariff Sheets**



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Approval Date: November 14, 2023  
 Effective Date: January 1, 2024  
 Resolution No. \_\_\_\_\_

# **Utilities Rules and Regulations (URR) Report**

## Utilities Rules and Regulations (URR)

Colorado Springs Utilities' (Utilities) URR are a part of the collective Tariffs that govern Utilities in accordance with the Colorado Springs City Code. The URR establishes general and service specific terms and conditions. This report summarizes proposed changes to URR sheets.

### 1. Fees (*URR Sheet Nos. 13, 14, 19, 20, 20.1, 37, 38, 39, and 67.1*)

- a. Modifications of various trip related fees to update to current cost and standardize into one fee by customer type. Existing Return Trip (\$30.00), Field Collection and Credit (\$20.00), Restoration of Service (\$30.00) fees were last changed in 2004, 2003, and 1997 respectively. Utilities proposes Residential and Non-Residential Trip Fees of \$70.00.
- b. Revision of additional charge for after-hours service restorations to reflect current cost. The existing after-hours charge of \$10.00, was last changed in 2003. To reflect current cost, Utilities proposes modifying this fee to \$40.00.
- c. Addition of references for Trip Fee applicability. Utilities proposes the addition of references for general Trip Fee applicability and specific references including but not limited to failure to provide access to and tampering with Utilities' equipment.
- d. Revision of Opt-Out Program Quarterly manual read fee to update to current cost. The existing Quarterly manual read fee of \$20.00, was last changed in 2012. To reflect current cost, Utilities proposes modifying this fee to \$35.00.
- e. In accordance with City Code, Utilities proposes the addition of a Standby Service Fee of \$250.00, applicable to, but not limited to standby services and relocations associated with excavations near underground facilities.
- f. Addition of Renewable Energy System Interconnection Application Review Fees. Utilities proposes a fee of \$100.00 for systems less than or equal to 150 kW and a fee of \$1,000.00 for systems greater than 150 kW.

### 2. Water Leak Adjustment Program (*URR Sheet No. 28*)

Modifications to the Water Leak Adjustment Program to clarify program limitations of two adjustments per customer per premise in any 36-month period.

### 3. Water Regional System Availability Fee (WRSF) (*URR Sheet No. 102.2*)

Administrative corrections to paragraph references relating to WRSF provisions.

**Utilities Rules and Regulations  
(URR)**

**Redline Tariff Sheets**

**UTILITIES RULES AND REGULATIONS**

**GENERAL**

B. Fees

- Utilities may charge and collect fees as described in the below table, by contract, or as established by City Code Section 14.8.109 for Stormwater service fees. For fees associated with the Development process, see Section I.C., Development Fees.

DESCRIPTION	AMOUNT	REFERENCE
<b>GENERAL</b>		
<del>Return</del> Trip Fee <u>and/or Restoration of Service Fee (including Reinspection of failed new gas or water meter loops or to Restore service to additional meters)</u> <ul style="list-style-type: none"> <li>• <u>Residential</u></li> <li>• <u>Nonresidential</u></li> <li>• <u>Additional charge for after-hours restorations (outside of Utilities normal working business hours)</u></li> </ul>	<del>\$30.00</del> <u>\$70.00</u> <del>\$70.00</del> <del>\$40.00</del>	General, Sheet No. 19 <u>General, Sheet No. 20</u> <u>General, Sheet No. 37</u> <u>General, Sheet No. 38</u> <u>General, Sheet No. 40</u>
Returned Payment Fee (whether returned/refused payment was attempted by check, EFT, debit/credit card or other means).	\$30.00	General, Sheet No. 24
<del>Restoration of Service Fee (Other than temporary discontinuance of service by Utilities for operations and maintenance activities)</del> <ul style="list-style-type: none"> <li>• <del>Field Collection and Credit Fee (Trip Fee)</del></li> <li>• <del>All Restorations</del></li> <li>• <del>Additional charge for after hours restorations (outside of Utilities normal working business hours)</del></li> </ul>	<del>\$20.00</del> <del>\$30.00</del> <del>\$10.00</del>	<del>General, Sheet No. 40</del>
Opt-Out Program Fee (for nonstandard meters) <ul style="list-style-type: none"> <li>• One-time fee to enter program</li> <li>• Quarterly manual read charge</li> </ul>	\$109.00 <del>\$20.00</del> <u>\$35.00</u>	General, Sheet No. 45
<u>Standby Service Fee</u>	<u>\$250.00</u>	<u>General, Sheet No. 20</u>
<b>ELECTRIC LINE EXTENSIONS</b>		

Approval Date: ~~November 12, 2019~~November 14, 2023  
 Effective Date: ~~January 1, 2020~~January 1, 2024  
 Resolution No. ~~123-19~~



**UTILITIES RULES AND REGULATIONS**

**GENERAL**

Residential Electric Fees (Single Service only) <ul style="list-style-type: none"> <li>• Inspection and Connection Fee</li> <li>• Return Trip Fee (including late appointment cancellations)</li> <li>• Distribution Charge (Contribution in Aid of Construction)             <ul style="list-style-type: none"> <li>○ Single-phase primary distribution line</li> <li>○ 3-phase main line, 22-75 circuit feet</li> <li>○ 3-phase main line, 75-175 circuit feet</li> <li>○ 3-phase underground main line, &gt;175 circuit feet</li> </ul> </li> </ul>	<p style="text-align: right;">\$401.94 \$299.98</p> <p>(sum the following:)</p> <p style="text-align: right;">\$19.78/linear foot \$12.22/circuit foot \$24.45/circuit foot \$58.85/circuit foot</p>	Electric, Sheet No. 64-65
Electric Temporary Service Connection Fee	<p style="text-align: right;">\$130.00</p>	Electric, Sheet No. 66
Pedestal Damage Fee	<p style="text-align: right;">Cost of Repairs</p>	Electric, Sheet No. 66

Approval Date: ~~November 12, 2019~~November 14, 2023  
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 Resolution No. ~~123-19~~

**Utilities Rules and Regulations  
(URR)**

**Final Tariff Sheets**



**UTILITIES RULES AND REGULATIONS**

**GENERAL**

**B. Fees**

1. Utilities may charge and collect fees as described in the below table, by contract, or as established by City Code Section 14.8.109 for Stormwater service fees. For fees associated with the Development process, see Section I.C., Development Fees.

DESCRIPTION	AMOUNT	REFERENCE
<b>GENERAL</b>		
Trip Fee and/or Restoration of Service Fee <ul style="list-style-type: none"> <li>• Residential</li> <li>• Nonresidential</li> <li>• Additional charge for after-hours restorations (outside of Utilities normal working business hours)</li> </ul>	\$70.00 \$70.00 \$40.00	General, Sheet No. 19 General, Sheet No. 20 General, Sheet No. 37 General, Sheet No. 38 General, Sheet No. 40
Returned Payment Fee (whether returned/refused payment was attempted by check, EFT, debit/credit card or other means).	\$30.00	General, Sheet No. 24
Opt-Out Program Fee (for nonstandard meters) <ul style="list-style-type: none"> <li>• One-time fee to enter program</li> <li>• Quarterly manual read charge</li> </ul>	\$109.00 \$35.00	General, Sheet No. 45
Standby Service Fee	\$250.00	General, Sheet No. 20
<b>ELECTRIC LINE EXTENSIONS</b>		
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Electric Temporary Service Connection Fee	\$130.00	Electric, Sheet No. 66
Pedestal Damage Fee	Cost of Repairs	Electric, Sheet No. 66

Approval Date: November 14, 2023  
 Effective Date: January 1, 2024  
 Resolution No. \_\_\_\_\_

New  
Information

## Legal Notice

# AFFIDAVIT OF PUBLICATION

STATE OF COLORADO  
COUNTY OF El Paso

I, Lorre Cosgrove, being first duly sworn, deposes and says that she is the Legal Sales Representative of The Colorado Springs Gazette, LLC., a corporation, the publishers of a daily/weekly public newspapers, which is printed and published daily/weekly in whole in the County of El Paso, and the State of Colorado, and which is called Colorado Springs Gazette; that a notice of which the annexed is an exact copy, cut from said newspaper, was published in the regular and entire editions of said newspaper **1 time(s) to wit 09/15/2023**

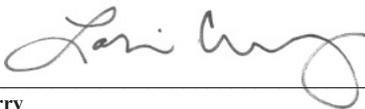
That said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of at least six consecutive months next prior to the first issue thereof containing this notice; that said newspaper has a general circulation and that it has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879 and any amendment thereof, and is a newspaper duly qualified for the printing of legal notices and advertisement within the meaning of the laws of the State of Colorado.



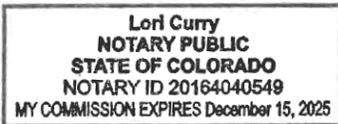
Lorre Cosgrove  
Sales Center Agent

Subscribed and sworn to me this 09/18/2023, at said City of Colorado Springs, El Paso County, Colorado.

My commission expires December 15, 2025.



Lori Curry  
Notary Public  
The Gazette



**LEGAL NOTICE**  
**COLORADO SPRINGS UTILITIES**  
121 SOUTH TEJON STREET  
COLORADO SPRINGS, COLORADO 80903

**Notice of Proposed Rate Changes and Tariff Changes**

Colorado Springs Utilities is required by City Code Section 12.1.108(C) (2)(b) and Colorado Revised Statutes 40-5-104 to provide notification when rate or tariff changes are proposed.

Colorado Springs Utilities (Utilities), an enterprise of the City of Colorado Springs, a Colorado home-rule city and municipal corporation, has proposed revenue requirements and tariff changes for electric, natural gas and certain water rates within the service areas of Colorado Springs Utilities, and certain changes to electric and natural gas rate schedules, and Utilities Rules and Regulations. The changes will increase or decrease rates, fees and/or charges for these services. These changes will increase Utilities' total revenues from the electric, natural gas, and water services.

With the proposed changes to the electric and natural gas services, the residential customer will see an increase of \$8.03 or 3.3 percent to the monthly four service sample bill. Changes are proposed effective January 1, 2024. The proposed changes by service are detailed below.

**Electric Service**

To fully recover the costs of operating the electric system, Utilities proposes to increase the overall revenues by approximately \$27.8 million. The electric service requires funding of infrastructure investments and inflationary increases in labor, benefits, and system maintenance. Utilities proposes increases to Residential, Commercial, Industrial, and Contract Service non-fuel rates to reflect the appropriate cost for the service.

Overall, the sample family residential Customer will see an increase of approximately \$5.93 per month, or 6.4 percent to the monthly electric bill.

Utilities also proposes changes to (1) Enhanced Power Service Reserve Capacity Charge; (2) Community Solar Garden Bill Credit (Pilot Program); (3) Community Solar Garden Program; and (4) Electric Vehicle Public Charging Service.

In addition, Utilities proposes (1) updates to the current Contract Service - Military On-site, Direct-service Solar contract Service table to reflect additional years under the contract; (2) increase the limitation on commercial renewable energy system size from 25 kW to 150 kW for Renewable Energy Net Metering; and (3) increase the required minimum customer demand from 500 kW to 4,000 kW for Interruptible Service.

**Natural Gas Service**

To fully recover the costs of operating the natural gas system, Utilities proposes to increase the overall revenues by approximately \$5.0 million. The natural gas service requires funding of infrastructure investments and inflationary increases in labor, benefits, and system maintenance. Utilities proposes increases to Residential, Commercial, Industrial, and Contract Service non-fuel rates to reflect the appropriate cost for the service.

In addition, Utilities proposes a Colorado Clean Heat Plan Charge to recover cost of programs needed to meet the tenets of Utilities' Clean Heat Plan filed with the State in accordance with Senate Bill 21-264.

Overall, the sample family residential Customer will see an increase of approximately \$2.10 per month, or 5.4 percent to the monthly natural gas bill.

**Water Service**

Utilities proposes increases to (1) Nonpotable and (2) Augmentation Service.

**Utilities Rules and Regulations (URR)**

Utilities proposes (1) modifications to various trip fees; (2) revision of additional charge for after-hours service restoration; (3) addition of references for Trip fee applicability; (4) addition of a Standby Service Fee; (5) addition of Renewable Energy System Interconnection Application Review Fee; (6) modification to the Water Leak Adjustment, Program; and (7) an administrative correction to paragraph references.

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The proposed changes are described in more detail in the material Utilities filed with the City Clerk. Numerous proposals are contained within this filing, including proposed changes to rates. Customers are urged to review the complete filing in order to identify all aspects of the proposal that may affect them. Copies of the proposed resolutions, the accompanying tariff sheets, financial data, cost information and a set of all materials were provided to City Council. The proposed changes are on file and open for public inspection in the Office of the City Clerk, 30 South Nevada Avenue, Colorado Springs, Colorado, 80903 and are posted on the Utilities' website [www.csu.org](http://www.csu.org). City Council may also consider tariff changes proposed by Customers which differ from the changes mentioned above.

The City Council set a hearing to be held October 24, 2023, to consider the proposed changes. The hearing will be held in City Council Chambers, 107 North Nevada Ave., Suite 228, Colorado Springs, Colorado beginning at 10 a.m. The proposed changes, if approved by City Council, will go into effect January 1, 2024 or as otherwise provided in the City Council resolution approving the changes. The proposed resolutions and tariffs as filed with the City Clerk, may be changed by City Council prior to becoming effective as a result of information presented at the hearing by members of the public, witnesses for Customers, the City Auditor, or by Utilities.

In addition to public comments taken during the hearing, written comments will be accepted at the office of the City Clerk. Public comments may also be submitted electronically to the City Clerk in advance of the hearing to [CityClerk@coloradosprings.gov](mailto:CityClerk@coloradosprings.gov). Each Utilities Customer has the right to appear, personally or through counsel, for the purpose of providing testimony regarding the proposed changes. Any Customer who desires to present witnesses, other than the Customer, should file a Notice of Intent to Present Witnesses and a short summary of the testimony of each witness, as provided in Section 12.1.108 (C) (3) of the City Code, with the City Clerk's Office, 30 South Nevada Avenue, Colorado Springs, Colorado 80903 or electronically to [CityClerk@coloradosprings.gov](mailto:CityClerk@coloradosprings.gov) and with the Colorado Springs Utilities Rates Manager, 121 South Tejon Street, Colorado Springs, Colorado 80903 on or before 5 p.m. on October 13, 2023. Customers desiring further information on the proposed rate changes described in this Notice, including the estimated impact on monthly bills, should telephone Colorado Springs Utilities at (719) 448-4800.

**NOTICE TO:  
ELECTRIC, NATURAL GAS  
WATER, AND URR  
CUSTOMERS OF COLORADO SPRINGS UTILITIES**  
HEARING DATE: OCTOBER 24, 2023

Published in The Gazette September 15, 2023.

**Public  
Outreach**



## 2024 Rate Case Public Outreach Overview

This document describes the strategic and comprehensive public outreach plan for the 2024 Rate Case. The rate case is communicated to residential and business customers using a variety of channels as indicated in the table on the following page.

Key messages from the Strategic Rates and Budget Communication Plan, were distributed to internal stakeholders in August and September 2023. The employee Intranet page is updated periodically with the latest information pertaining to the rates and budget.

To better equip our service center with information about the 2024 Rate Case and Draft Annual Operating Budget, employees from Pricing and Rates and Strategic Communications & Engagement departments will provide a presentation for small groups of service center representatives. This includes a high-level overview of the rate case and 2024 budget. Call center staff will receive a one-sheeter with detailed information to use as reference as they engage customers.

The entire rate case was posted on csu.org September 12, 2023. The Draft 2024 Annual Operating and Financial Plan is also posted on the website two weeks before the first public hearing. More thorough media coverage is expected from October 24 through mid-January 2024. An email detailing cost adjustment updates and proposed rate changes was distributed to 170,000 residential customers on October 3, 2023.

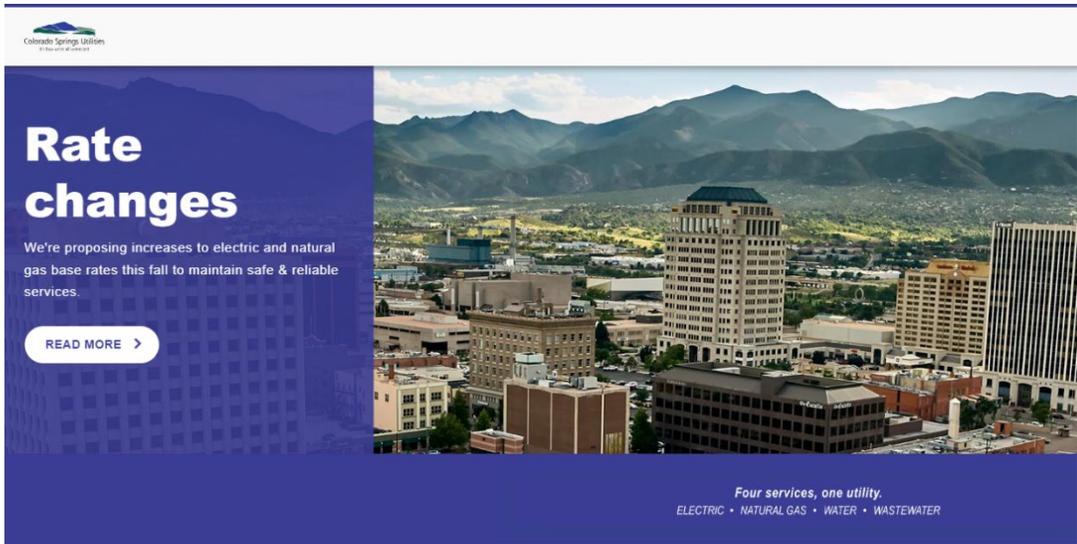
Customers can attend Utilities Board and City Council meetings virtually or in person and provide public comment. Past Utilities Board meetings are available at csu.org. Additionally, all City Council meetings are shown on various days and times on SpringsTV, Channel 18.

Customers who cannot attend Board and Council meetings can provide their feedback on the rate case directly to City Council members via phone or email, through Springs Utilities' social media pages, through AskUs (email response from csu.org users) and comments to call center representatives.

Additionally, the following channels and tactics will be utilized:

Communications Channels	Employee	Residential	Business	Timing
Website (csu.org): updates include Rate case filing, proposed budget, Cost Adjustment, Rates and Budget pages, rotator	X	X	X	August 2023 - January 2024 *
Strategic Communications Plan (including key messages)	X			August 2023 *

Infographics depicting rates for each class of customer	X	X	X	September 2023 *
Employee/customer fact sheet	X	X	X	October 2023* - January 2024
Social media	X	X	X	Ongoing, August 2023 - January 2024
Insight	X			Weekly
Media interviews (UB, City Council)	X	X	X	As-needed basis
Bill package: Connection, bill messages - new rates for 2024 in December 2023		X		December 2023 - January 2024
Smart Home e-newsletter		X		September 2023 - January 2024
Weekly communications/memo to Utilities Board members	X	X	X	As-needed basis
Intranet: including the main rotator	X			August 2023 - January 2024
Strategic account managers one-on-one meetings, emails and phone calls			X	Ongoing
Rates Customer Service Center presentation	X			November 2023
Fall State of Utilities meeting			X	September 28, 2023
First Source e-newsletter			X	September 2023 - January 2024
Mid-market monthly e-newsletter			X	September 2023 - January 2024



**Rate changes**

We're proposing increases to electric and natural gas base rates this fall to maintain safe & reliable services.

[READ MORE >](#)

Four services, one utility.  
ELECTRIC • NATURAL GAS • WATER • WASTEWATER

## Residential rate change page

# Residential Rate Changes

This fall, the Utilities Board will consider electric and natural gas base rate increases to support safe and reliable services and to achieve projects outlined in the budget. Base rates are reviewed and updated once a year.

We are proposing base rate increases of 8% for electric and 6% for natural gas. The electric base rates have remained the same since 2018, and natural gas base rates were last changed in 2021.

The increases are needed in 2024 to maintain and rehabilitate aging infrastructure, provide safe and reliable services to existing customers, prepare for future demand, and meet environmental and regulatory requirements.

### Colorado Clean Heat Plan charge

A new natural gas charge, the Colorado Clean Heat Plan Charge, is proposed to recover expenses related to complying with state mandates.

- This charge, about \$0.75 per month for residential customers, would help recover expenses related to state mandates under Colorado's Clean Heat Plan. Commercial customers will average \$6.20 per month and industrial customers should expect average charges of \$62 per month.
- Like base rates, it will be reviewed annually. The separate charge allows us to provide transparent information about costs related to the Clean Heat Plan. The law requires utilities to adopt programs that encourage customers to reduce emissions generated by natural gas-based appliances and heating systems.
- The revenue from the new charge, about \$2.7 million, will be used to fund energy efficiency programs such as customer rebates for energy efficient water heaters and furnaces, insulation, and heat pumps.
- The proposed new charge is not a flat fee. It will be based on customer use.

The rebates are intended to provide customers with an incentive to switch to newer, high-efficiency gas or electric appliances and reduce greenhouse gas emissions.

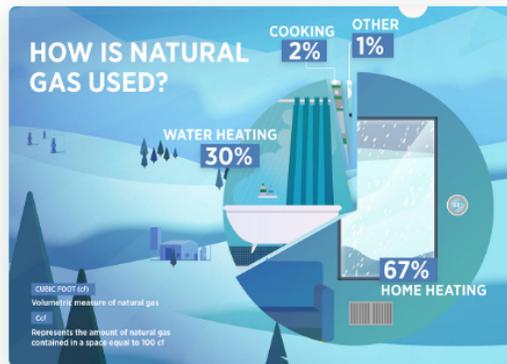
### Customer Bill Impacts

The total of all proposed increases, including the new charge and base rates is about \$8/month for residential customers. If approved by City Council in November, new rates would be effective Jan. 1, 2024.

We've passed along fuel rate savings to customers in 2023. The combination of proposed base rate increases, and this year's fuel rate decreases means residential customers can anticipate their total bill to be 6 to 8% lower as of Jan. 1, 2024, compared to Jan. 1, 2023.

These examples are based on use of 700 kilowatts/month for electricity and 60 ccf (hundred cubic feet) of natural gas, for residential customers.

Our rates are based on the costs associated to serve a customer. We do not make a profit on customer rates. Unlike investor-owned utilities who design rates to pay shareholder dividends, we set rates to cover only the cost to serve our customers, ultimately providing the lowest rates possible.



# Annual Operating Budget

[2023 Budget >](#)

[2023 Rates & Budget Factsheet >](#)

The 2024 proposed budget appropriation of \$1.5 billion is 3.7% lower (\$57 million) than the approved 2023 budget of \$1.6 billion. The decrease is primarily due to a change in fuel-related costs.

The budget was developed to achieve competitive utility rates; safe, reliable service; and outstanding customer experiences. The budget also supports the financial targets needed to maintain healthy credit ratings that help keep our rates competitive.

Capital projects make up nearly 29% of the budget appropriation.

- Some of the key capital projects include: Operational Fiber Network at \$68.4 million, Sustainable Energy Plan (SEP) \$34.3 million, Advanced Metering infrastructure (AMI) at \$14.5 million.
- Total proposed labor and benefits budget increase is 6.9%.
- The budget also includes 70 new positions to the organization that support growth, regulation changes and business needs. Twenty-five of those positions are related to insourcing our fleet program. Most of the remaining positions are field workers to support growth.

## 2024 Rate Case

This fall, the Utilities Board will consider electric and natural gas base rate increases to support safe and reliable services and to achieve projects outlined in the budget. Base rates are reviewed and updated once a year.

We are proposing base rate increases of 8% for electric and 6% for natural gas. The electric base rates have remained the same since 2018, and natural gas base rates were last changed in 2021.

As a not-for-profit, community owned utility, we do not make a profit on the rates we charge customers. Rates are designed to recover the cost of providing services. The increases are needed in 2024 to maintain and rehabilitate aging infrastructure, provide safe and reliable services to existing customers, prepare for future demand, and meet environmental and regulatory requirements.

### Colorado Clean Heat Plan charge

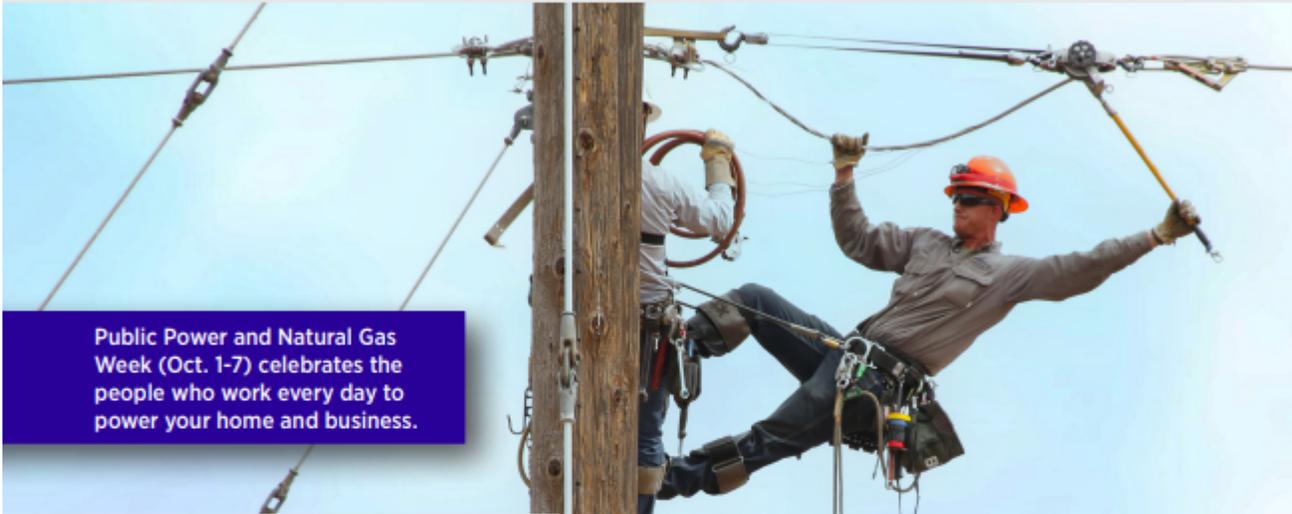
A new natural gas charge, the Colorado Clean Heat Plan Charge, is proposed to recover expenses related to complying with state mandates.

- This charge, about \$0.75 per month for residential customers, would help recover expenses related to state mandates under Colorado's Clean Heat Plan.
- Like base rates, it will be reviewed annually. The separate charge allows us to provide transparent information about costs related to the Clean Heat Plan. The law requires utilities to adopt programs that encourage customers to reduce emissions generated by natural gas-based appliances and



# CONNECTION

OCTOBER 2023



Public Power and Natural Gas Week (Oct. 1-7) celebrates the people who work every day to power your home and business.

## BRIEFLY

- 1 Fire prevention Week Oct. 8-14**  
Test smoke alarms in your home and replace the batteries.
- 2 Water heater rebate**  
Earn up to a \$200 rebate on a qualifying heat pump water heater.
- 3 S. Catamount Reservoir closure**  
Area trails to close for dam rehabilitation starting this fall.

Scan code to learn more



719-448-4800 • [csu.org](http://csu.org)

## Industry changes and reliability drive 2024 rates and budget

This fall, we're proposing electric and natural gas base rate increases to support safe and reliable services.

As a community-owned utility, we do not make a profit on rates. Our proposed 2024 budget is \$1.5 billion.

The utility industry is quickly changing, and we're investing these dollars into upgrades and repairs to meet demand and comply with new state laws.

We're proposing an 8% electric increase and 6% natural gas increase. Revenue from these rates are invested into major system projects, such as electrical substation upgrades, and natural gas system improvements. Electric rates were last changed in 2018, and natural gas rates in 2021.

The Colorado Clean Heat Plan charge is a new proposed natural gas charge that would cover the cost of energy efficiency programs needed to meet the new law. This would cost a typical residential customer about \$0.75 per month.

The total of all changes would increase the typical residential bill about \$8 a month. If approved, the new rates would be effective Jan. 1, 2024. Because we've had fuel rate decreases this year, the total residential bill in January 2024 could be 6 to 8% lower than the previous year. Learn more at [csu.org](http://csu.org).

## Social media

 **Colorado Springs Utilities**   
2d · 

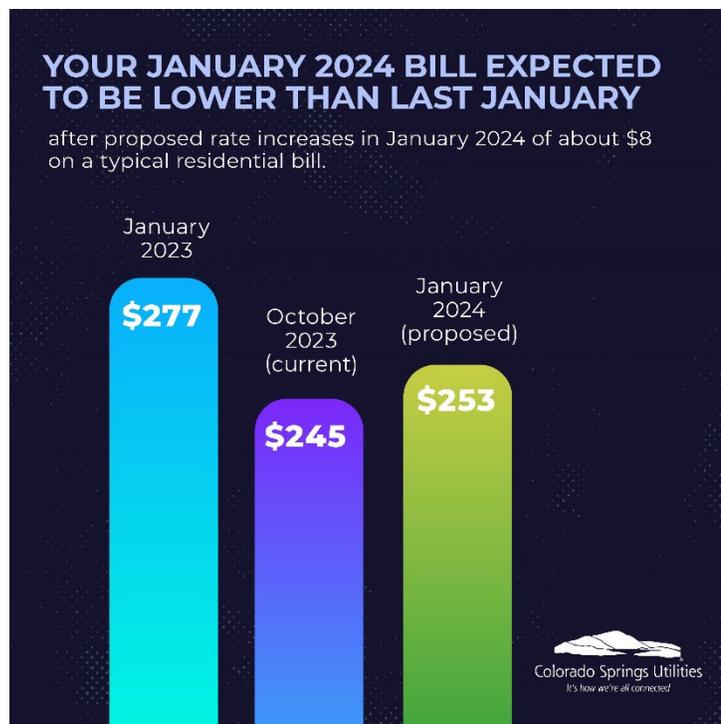
🔥 This fall, we're proposing some rate changes. Here are 5 things you should know: <https://bit.ly/3LV9IH7>



 3

 Like  Comment

## Infographics



## Blogs



10.10.2023

### Help for your winter bills

In our area, customers typically use up to six times more natural gas in the winter. To help, we offer payment assistanc...

READ MORE >



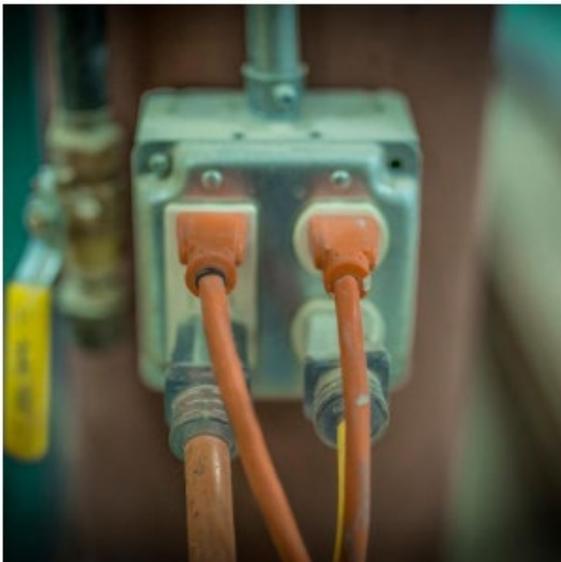
8.30.2023

### Five things to know about your 2024 utility rates

Each year, we develop our annual budget and set rates to provide safe, reliable service and keep prices competitive. Her...

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## First Source e-newsletter



We're proposing an 8% electric and 6% natural gas base rate increase to support safe and reliable services, effective in January. [Learn more about your 2024 rates.](#)

**Office of the City Auditor**  
**Audit Report**



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Jacqueline M. Rowland  
City Auditor, CPA CFE PMP

## 23-18 Colorado Springs Utilities 2024 Electric and Gas Rate Case

October 2023

### **Purpose**

The 2024 Rate Case review focused on accuracy and consistency of the methodology used to develop the proposed rate changes. We also reviewed for compliance with rate development guidance approved by the Colorado Springs Utilities (Utilities) Board.

### **Highlights**

We conclude the cost of service studies supporting the proposed rate changes for electric service and gas service, effective January 1, 2024, were prepared accurately. Methodology was consistent with prior rate cases and proposed rate changes were within tolerances approved by Utilities Board guidance. We identified one observation in our review. Please see page two of this report for observation details.

Proposed rate changes were based on the 2024 budgets and forecasted sales data. The electric revenue requirements increased \$27.3 million or 8% over the revenue at current rates. Gas revenue requirements increased \$5.0 million or 6% over revenues at current rates. Utilities also proposed a new natural gas charge known as the Colorado Clean Heat Plan Charge which will recover the cost of energy efficiency programs needed to meet Colorado's Clean Heat Plan regulation.

In 2022 Utilities began a multiyear effort to construct a next generation optical fiber network to be completed in 2028 at a total cost of approximately \$600 million. The city-wide modern network is projected to enhance utility operations, allow better service to customers, and meet community needs by enabling multi-gigabit internet activity to every home and business in the City. We noted that all fiber project costs were charged to the Electric Service with a 2024 budget of \$68.4 million. The project is cash funded and no debt funding will be necessary.

The business plan for fiber shows that excess capacity will be leased to third parties and these revenues will offset this expense in the long term. In addition, Utilities indicated that in the future if the Water or Gas Services utilize the fiber network, reimbursement to the Electric Service will be required.

### **Management Response**

Management was in agreement with our recommendations.

### **Recommendations**

1. Utilities Planning and Financial Division management should:
  - Ensure sample meters for the 2024 load study are selected by the end of first quarter 2024.
  - At least a year prior to completing a cost of service study, confirm that sample data is complete, accurate, and in accordance with load research best practices.

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[www.ColoradoSprings.gov](http://www.ColoradoSprings.gov)

# 23-XX COLORADO SPRINGS UTILITIES 2024 ELECTRIC AND GAS RATE CASE

## **Observation 1**

- The load study used to allocate demand related costs in the Electric Cost of Service Study was reasonably accurate but utilized 2017 trended data.

Utilities conducts load studies to allocate certain costs to the customer classes that place the most demand on the system at any one time. Load research data was available for large commercial classes but not for other classes due to a billing system implementation in May 2023.

The third party consultant utilized 2017 data and escalated the data points based on available trend data. We note that the load study used to allocate demand related costs was reasonably accurate. However, guidance from the National Association of Regulatory Utility Commissioners stated new samples should be selected every 1-2 years.

Utilities plans to conduct a new load study in 2024 utilizing updated data using best practices for load research data.

## **Management Response**

Colorado Springs Utilities agrees with the recommendations. We will select load study samples by March 31, 2024 for the 2024 load study.

## **Recommendation**

Utilities Planning and Financial Division management should:

- Ensure sample meters for the 2024 load study are selected by the end of first quarter 2024.
- At least a year prior to completing a cost of service study, confirm that sample data is complete, accurate, and in accordance with load research best practices.

## **Observation 1—Glossary of Terms**

**Load Study** — Statistical research of demand data for the purpose of estimating rate class profiles.

**Demand** — Amount of electric power being consumed at a given point in time.

Source: Colorado Springs Utilities Pricing and Rates