Colorado Springs Utilities

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2026
Rate Case

Supplemental Filing

October 01, 2025

Colorado Springs Utilities
It's how we're all connected

Date: October 1, 2025

To: Members of City Council

From: Scott Shirola, Pricing and Rates Manager

Subject: **SUPPLEMENTAL NET METERING INFORMATION FOR COLORADO SPRINGS UTILITIES' 2026 RATE CASE FILING**

Colorado Springs Utilities (Utilities) prepared supplemental information related to the proposed changes to net metering as part of the 2026 Rate Case originally submitted September 9, 2025. 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.

Summary of Modified Net Metering Proposed Changes

Utilities' 2026 Rate Case proposed changes to residential and commercial net metering rates. The changes proposed in the original September rate filing were developed as cost reflective rates, designed in alignment with the Energy-Wise program, and consistent with the Rate Design Guidelines adopted by Utilities Board as established in 2021. Specifically, after Utilities Board's July 2020 Rate Design Workshop, Utilities Board established five rate design objectives prioritized in the following order:

- Economic efficiency.
- Revenue stability.
- Equitable for all customers.
- Customer satisfaction.
- Customer bill stability.

In response to community feedback on the original net metering proposal, Utilities is recommending modifications that place greater emphasis on customer satisfaction and bill stability. The revised proposal rebalances the application of the rate design objectives to better reflect these priorities. Unless otherwise stated, all other aspects of Utilities' September 9, 2025, filing remain as originally proposed.

- Change the billing demand charge determination to the average of daily highest 15-minute demands during On-Peak hours (Monday – Friday, 5 p.m. – 9:00 p.m.), rather than a single peak demand.
- Increase the proposed Access and Facilities, per kWh rate. The originally proposed 2027 per kWh rates for Residential (ERNM), Commercial – Small (ECSNM), Commercial – Medium (ECMNM), and Commercial – Large (ECLNM) of $0.0294, $0.0294, $0.0505, and $0.0470, respectively are changed to $0.0617, $0.0556, $0.0575, and $0.0536, with similar rate changes proposed in 2028 and 2029.

With the modified proposal, the median net metering customer is expected to see an electric bill increase of approximately $25 per month, compared to the approximately $50 per month based on the original September proposal. The modified rate design continues to provide a rate structure capable of recovering the cost of service in the future, while mitigating the initial impact by maintaining the originally proposed Demand Charge, per kW, per day rates.

The modified proposed net metering changes continue to align with the Energy-Wise program, provide additional customer control of monthly bills by shifting usage to off-peak hours and/or spreading out usage during on-peak hours, and promote more stable customer bills from month to month.

Update to the Energy-Wise and Net Metering Open House

Due to a tremendous response to the Oct. 7 open house, we are moving the open house to a new location – the UCCS Ent Center for the Arts. Additionally, we are making some adjustments to the format of the meeting, to better accommodate the hundreds of RSVPs we have received.

- 5:30 to 7 p.m. - Open House format in the lobby to serve those interested in learning more about Energy-Wise.
- 5:45 to 6:45 p.m. - Formal presentation in the auditorium to address pre-submitted questions and comments from net metering customers.

Revised Information

Revised information contained in this supplemental filing related to the modified net metering proposed changes is provided below:

- Electric Report, update Section 2. Net Metering.
- Electric Redline and Final Tariff Sheets.
  - Sheet No. 2.20, increase Access and Facilities, per kWh rates.
  - Sheet No. 3, modification of Residential and Commercial Energy-Wise Net Metering demand determination to reflect the average daily on-peak demand.
- Electric Energy-Wise Net Metering Rate Option Worksheets, update worksheets reflecting average daily on-peak demand billing determinants, shifting of a portion of demand cost recovery from demand charges to energy charges, and increases to proposed Access and Facilities, per kWh rates.
- Utilities Rules and Regulations (URR) Report, addition of summary of changes to URR incorporating Residential and Commercial Energy-Wise Net Metering Rate Option Demand Metering provisions.
- URR Resolution, addition of Residential and Commercial Energy-Wise Net Metering Rate Option Demand Metering.

New Information

New information contained in this supplemental filing related to the modified net metering proposed changes is provided below:

- URR Redline and Final Tariff Sheets, Sheet No. 66, addition of residential and commercial net metering demand measurement service standards.
- Customer Outreach, email scheduled to be sent to net metering customers on October 1, 2025.

Revised Information

Electric

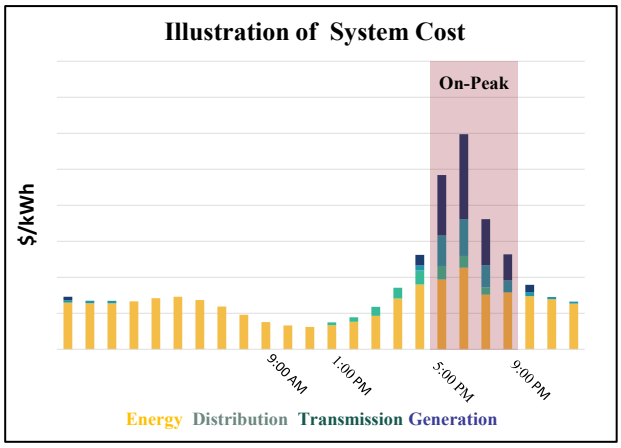
Report

Electric Service

2. Net Metering

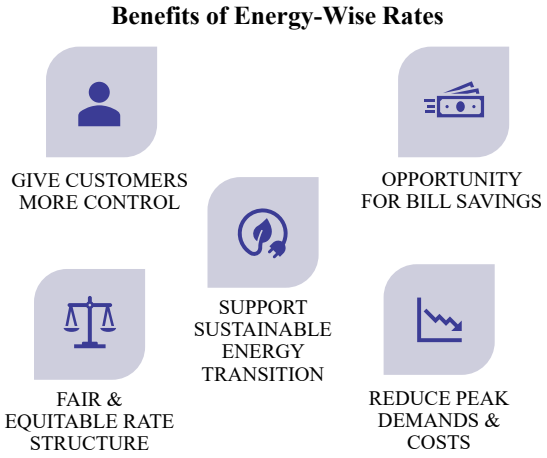
a. Background

The energy future is transforming, and Utilities has been working over the past few years to assess its resource portfolio with respect to energy regulations, customer growth, and system efficiency. Utilities continues to see customer growth and increased demand on its system and generation portfolio. To meet the increasing number of stringent state requirements and the needs of a growing community, Utilities initiated the development of an Electric rate design strategy in 2018. Over the course of the last eight years, this strategy was developed with Utilities Board guidance and coordinated with Utilities' energy vision workshops, integrated resource planning efforts, and major metering and billing system project implementation. Utilities' draft proposal builds upon the Energy-Wise rates strategy to improve alignment of customer demand with the cost of providing service.



Energy-Wise rates better reflect Utilities' time-varying cost of providing service while offering both system and customer benefits.

Energy-Wise rates are expected to play a significant role in helping reduce high demand and delaying the need to build additional sources of electric generation. With the Energy-Wise rates, most customers will pay different rates for the electricity based on the time of day it is used. This approach more equitably recovers the cost to provide service, while also playing a significant role in incentivizing customers to shift electric use to periods when demand is lower and the cost of providing electricity is cheaper. These rates give customers more control over their bill since they can shift electricity use to less costly time periods. Shifting



some electric use to non-peak hours also supports Utilities' sustainable energy transition.

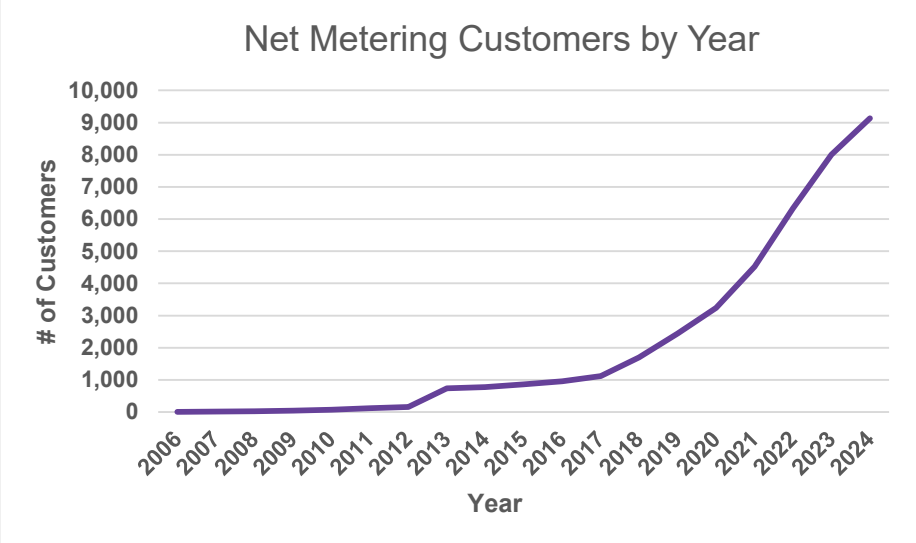
Recent investment in smart meters and customer information systems enable Utilities to make Energy-Wise rate options available to most customers. In 2024, Utilities proposed Energy-Wise rate changes effective October 1, 2025. Utilities expects to transition all existing customers to Energy-Wise rates by early 2026. Due to the unique interaction net metering customers have with Utilities' electric system, the Energy-Wise rates available to most customers do not adequately reflect the cost of providing service to customers with solar behind the meter. As such, net metering customers were not included in the 2025 transition to the Energy-Wise rates. Through 2024 and into 2025, Utilities continued its evaluation and analysis of the most appropriate and fair rate design for net metering customers.

b. Photovoltaic Cost and Net Metering

In 2004, Colorado adopted renewable energy net metering standards. Colorado Revised Statues (CRS) 40-2-124 establish net metering standards for municipal utilities including:

- Treatment of excess monthly and annual generation in kWh.
- Nondiscriminatory rate requirements.
- Interconnection standards.
- Size specifications for customer system.

Utilities first established net metering service in 2005 as a pilot program with availability limited to 50 residential customers. In 2007, the limitation on the number of participating customers was removed and the service became available as a regular service option to residential and commercial customers. Over the last 20 years, the photovoltaic market has matured and costs have significantly decreased. With the reduced cost, the number of net metering



interconnections has steadily increased, with more than approximately 1,000 new interconnections per year in recent years and more than 9,000 total customers' electric service being net metered in 2025. The chart above summarizes the number of net metering customers by year.

The decrease in photovoltaic cost has also supported Utilities in integrating renewable energy resources to our energy portfolio, including the Pike Solar array which features 175 MW of solar energy. After adding Pike Solar to the existing solar, wind and hydro resources, renewable energy is estimated to represent about 27% of our energy portfolio.

c. Net Metering System Interaction

As defined in Colorado Revised Statues (CRS) 40-2-124, energy generated by customer solar systems under net metering service is netted against customer consumption on a monthly billing period basis. Additionally, if monthly solar generation exceeds the customer's monthly consumption, the excess generation credits are rolled forward to the subsequent months and offset future consumption. Netting customer generation and customer consumption on a monthly basis under-quantifies the amount of energy the customer is consuming from Utilities' system and under-quantifies the amount of energy the customer pushes onto Utilities' system. Specifically, for a typical net metering customer, customer consumption exceeds customer generation during the early AM hours, resulting in consumption from the Utilities' system (imports). During the middle of the day, when solar generation is highest, customer generation exceeds consumption and energy is pushed back onto Utilities' system (exports). As customer consumption increases in the afternoon and into the evening and customer generation decreases, customer consumption once again exceeds customer generation resulting in additional consumption, or imports, from the Utilities' system.

As illustrated in Table 1 below, on the randomly selected 24-hour period, the sample net metering customer generated a total of 17 kWh (column c) and consumed a total to 30 kWh (column d). Utilizing a daily basis of net metering, the customer would be charged 13 kWh (column g) representing the net difference between consumption and generation. However, as depicted by columns e and f, the customer consumed, or imported, 17 kWh from Utilities' system, and pushed, or exported, 5 kWh back onto Utilities' system. For this sample daily period, net metering under-quantified the customer's consumption from Utilities' system by 4 kWh. Extrapolated over the course of a month or year, the under-

quantification of imports and exports can result in significant cost shifting to other non-net metering customers within the rate class.

Table 1: Illustration of Hourly Generation and Consumption

Line No	Hour	Gen	Cons	Import	(Export)	Net Import / (Export)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	1	0.00	1.05	1.05	-	1.05
2	2	0.00	0.95	0.95	-	0.95
3	3	0.00	0.91	0.91	-	0.91
4	4	0.00	0.85	0.85	-	0.85
5	5	0.00	0.84	0.84	-	0.84
6	6	0.00	0.87	0.87	-	0.87
7	7	0.09	1.06	0.97	-	0.97
8	8	0.47	1.16	0.69	-	0.69
9	9	1.10	1.22	0.12	-	0.12
10	10	1.79	1.20	-	(0.59)	(0.59)
11	11	2.34	1.26	-	(1.09)	(1.09)
12	12	2.44	1.28	-	(1.16)	(1.16)
13	13	2.28	1.31	-	(0.97)	(0.97)
14	14	2.00	1.39	-	(0.61)	(0.61)
15	15	1.55	1.38	-	(0.18)	(0.18)
16	16	1.32	1.42	0.10		0.10
17	17	0.98	1.49	0.51		0.51
18	18	0.65	1.60	0.95		0.95
19	19	0.34	1.66	1.32		1.32
20	20	0.09	1.62	1.53		1.53
21	21	0.01	1.61	1.60		1.60
22	22	0.00	1.62	1.62		1.62
23	23	0.00	1.48	1.48		1.48
24	24	0.00	1.17	1.16		1.16
25	**Total**	**17.48**	**30.37**	**17.49**	**(4.60)**	**12.89**

d. Net Metering Subsidy

Current rate designs applicable to residential and commercial net metering customers recover capacity cost through energy charges, which compounds the cost shifting to non-net metering customers that results from under-quantification of energy consumed from Utilities' system. Although some level of intraclass cross subsidization is a reality with any rate design, for non-net metering customers, recovery of capacity cost through energy

charges can reasonably reflect the cost of providing service. Energy-Wise rates, which were approved by City Council in 2024 and go into effect in October 2025, further improve the reasonableness and fairness of cost recovery as capacity costs can be more accurately allocated to the on-peak energy charge. Due to the monthly basis of net metering, Time-of-Day (TOD) rates do not adequately reflect the cost to provide service to net metering customers, as generation and consumption are netted within and/or across on-peak and off-peak periods.

Further analysis to quantify the net metering subsidy related to Utilities net metering customers was conducted using the cost-of-service approach (Sergici et al, 2019)[1]. Based on the cost-of-service analysis, the median customer subsidy for a Utilities net metering customer is approximately $600 annually or $50 per month. This level of subsidy is consistent with results of similar studies across the United States, with subsidies ranging from $20 to $100 per month (Sergici et al, 2019)[1]. All net metering customers are unique in terms of usage and system size, and therefore the $600 is not reflective of every customer. However, the median customer is representative of a typical net metering customer and can be used to estimate overall subsidy levels. Utilizing the $600 median subsidy, when attributed to over 9,000 net metering customers, the total cost shift from net metering customers to non-net metering customers is estimated to exceed $5,500,000 annually.

e. Energy-Wise Net Metering Rate Options

To promote fair and equitable cost recovery and to align rates with the cost of providing service in the transformed electric landscape, Utilities proposes the addition of net metering rate options applicable to residential and commercial net metering customers, effective January 1, 2027. The proposed rates are supported by the 2025 Electric Cost of Service Study included in the 2025 Rate case approved by City Council on November 12, 2024. The proposed rate options include:

- Access and Facilities, per day charges based on costs classified and allocated as customer cost in the Line – Secondary, Electric Service, Meters and Installations, and customer functions.
- Access and Facilities, per kWh charges based on costs classified and allocated as Energy cost in the Generation Non-Fuel, Transmission, and Surplus Payments to the City functions and a portion of costs classified and allocated as Demand cost in the

[1] Sergici, S., Yang, Y., Castaner, M., Faruqui, A. (2019). Quantifying net energy metering subsidies. The Electricity Journal. Volume 32, Issue 8. https://www.sciencedirect.com/science/article/abs/pii/S1040619019301861#preview-section-abstract

Generation Non-Fuel, Transmission, Substation, Line – Primary, and Line – Secondary functions.

- Demand Charge, per kW, per day charge based on a portion of costs classified and allocated as Demand cost in the Generation Non-Fuel, Transmission, Substation, Line – Primary, and Line – Secondary functions. The demand determination for the proposed Demand Charge is the average of each daily greatest 15-minute net load during the On-Peak hours in the billing period.
- ECA, per kWh.
- ECC, per kWh.

Utilities proposes to migrate all residential and commercial net metering customers from frozen rate options to the new proposed net metering rate options effective January 1, 2027. Industrial and contract service Energy-Wise rate options currently include appropriate demand charges. As a result, additional net metering options are not necessary for industrial and contract service net metering customers. Utilities proposes to migrate any industrial net metering customers receiving service under frozen rate options to the Energy-Wise standard rate options effective January 1, 2027.

Municipal Utilities are protected by Articles V, XI, XX, and XXV of the Colorado Constitution, which include protections in matters of rate making and billing. Utilities is a municipal utility operated as an Enterprise of the City of Colorado Springs and the City Council's authority to establish rates, charges, and regulations for utility services is contained within the Colorado Constitution, Colorado Statutes, the Colorado Springs Charter, the City Code, and City Council's Rules and Procedures.

The proposed net metering rate options are designed consistent with CRS 40-2-124. Utilities proposed rate options have a rational nexus to the cost of providing service to net metering customers, and as a result are just, reasonable, and non-discriminatory.

Electric

Redline Tariff Sheets

Effective January 1, 2027

ELECTRIC RATE SCHEDULES

RATE TABLE

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Note: All rates are effective January 1st of the respective year shown. Rates effective 2029 will remain effective until superseded by City Council.

ELECTRIC RATE SCHEDULES

RATE TABLE

Description	Rates (Note)		
	2027	2028	2029
Net Metering – Sheet No. 20			
Residential Service Energy-Wise Net Metering Option (ERNM) – Sheet No. 4			
Access and Facilities Charge, per day	$0.8265	$0.8802	$0.9374
Access and Facilities Charge, per kWh	$0.0617	$0.0657	$0.0700
Demand Charge Secondary, per kW, per day	$0.4329	$0.4610	$0.4910
Electric Cost Adjustment (ECA), per kWh	$0.0263		
Electric Capacity Charge (ECC), per kWh	$0.0066		
Commercial Service – Small Energy-Wise Net Metering Option (ECSNM) – Sheet No. 5.2			
Access and Facilities Charge, per day	$0.8265	$0.8802	$0.9374
Access and Facilities Charge, per kWh	$0.0556	$0.0592	$0.0630
Demand Charge Secondary, per kW, per day	$0.3456	$0.3681	$0.3920
Electric Cost Adjustment (ECA), per kWh	$0.0263		
Electric Capacity Charge (ECC), per kWh	$0.0066		
Commercial Service – Medium Energy-Wise Net Metering Option (ECMNM) – Sheet No. 6.1			
Access and Facilities Charge, per day	$1.1759	$1.2523	$1.3337
Access and Facilities Charge, per kWh	$0.0575	$0.0612	$0.0652
Demand Charge Secondary, per kW, per day	$0.4662	$0.4965	$0.5288
Electric Cost Adjustment (ECA), per kWh	$0.0263		
Electric Capacity Charge (ECC), per kWh	$0.0056		
Commercial Service – Large Energy-Wise Net Metering Option (ECLNM) – Sheet No. 6.2			
Access and Facilities Charge, per day	$1.5253	$1.6244	$1.7300
Access and Facilities Charge, per kWh	$0.0536	$0.0571	$0.0608
Demand Charge Secondary, per kW, per day	$0.4662	$0.4965	$0.5288
Electric Cost Adjustment (ECA), per kWh	$0.0263		
Electric Capacity Charge (ECC), per kWh	$0.0056		
All Other Rate Schedules billed under applicable Energy-Wise standard or frozen option.			

Approval Date: October 28, 2025
Effective Date: ~~January 1, 2026~~January 1, 2027
Resolution No.

Note: All rates are effective January 1st of the respective year shown. Rates effective 2029 will remain effective until superseded by City Council.

ELECTRIC RATE SCHEDULES

GENERAL

DEMAND DETERMINATIONS

Commercial Service (ECM, ECM-P, ECL, ECL-P)

Maximum Demand and/or Billing Demand:

Greatest 15-minute load during any block of time in the billing period.

Residential and Commercial Energy-Wise Net Metering (ERNM, ECSNM, ECMNM, ECLNM):

Average of each daily greatest 15-minute net load during the On-Peak hours in the billing period.

Industrial and Contract Service

Maximum Demand (ETL, EIS, EIS-P, E8T, E8T-P, E8S, E8S-P, ELG, ELG-P, ETX, ECD, ECD-P, ELL)

Maximum Demand is the greatest 15-minute load during any time in the billing period adjusted upward by 1% for each 1% that the power factor of Customer is below 95% lagging or leading.

Billing Demand

Energy-Wise Standard Time-of-Day Option (ETL, EIS, E8T, E8S, ELG, ETX, ECD)

On-Peak:

The greatest 15-minute load during On-Peak hours in the billing period adjusted upward by 1% for each 1% that the power factor of Customer is below 95% lagging or leading.

Off-Peak: either A or B, whichever is greater.

A. The greatest 15-minute load during Off-Peak hours in the billing period adjusted upward by 1% for each 1% that the power factor of Customer is below 95% lagging or leading, minus the
On-Peak Billing Demand. Such demand will not be less than zero.

B. 68% of the Maximum Demand during the last 12 billing periods, minus the On-Peak Billing Demand. Such demand will not be less than zero. Part B of Off-Peak Billing Demand is not applicable to Industrial Service – Transmission Voltage (ETX).

Energy-Wise Plus Time-of-Day Peak Option (EIS-P, E8T-P, E8S-P, ELG-P, ECD-P)

Demand:

The greatest 15-minute load during any time in the billing period adjusted upward by 1% for each 1% that the power factor of Customer is below 95% lagging or leading.

Industrial Service – Large Load (ELL) see Sheet No. 27.1

Electric

Final Tariff Sheets

Effective January 1, 2027

ELECTRIC RATE SCHEDULES

RATE TABLE

Description	Rates (Note)		
	2027	2028	2029
Net Metering – Sheet No. 20			
Residential Service Energy-Wise Net Metering Option (ERNM) – Sheet No. 4			
Access and Facilities Charge, per day	$0.8265	$0.8802	$0.9374
Access and Facilities Charge, per kWh	$0.0617	$0.0657	$0.0700
Demand Charge Secondary, per kW, per day	$0.4329	$0.4610	$0.4910
Electric Cost Adjustment (ECA), per kWh	$0.0263		
Electric Capacity Charge (ECC), per kWh	$0.0066		
Commercial Service – Small Energy-Wise Net Metering Option (ECSNM) – Sheet No. 5.2			
Access and Facilities Charge, per day	$0.8265	$0.8802	$0.9374
Access and Facilities Charge, per kWh	$0.0556	$0.0592	$0.0630
Demand Charge Secondary, per kW, per day	$0.3456	$0.3681	$0.3920
Electric Cost Adjustment (ECA), per kWh	$0.0263		
Electric Capacity Charge (ECC), per kWh	$0.0066		
Commercial Service – Medium Energy-Wise Net Metering Option (ECMNM) – Sheet No. 6.1			
Access and Facilities Charge, per day	$1.1759	$1.2523	$1.3337
Access and Facilities Charge, per kWh	$0.0575	$0.0612	$0.0652
Demand Charge Secondary, per kW, per day	$0.4662	$0.4965	$0.5288
Electric Cost Adjustment (ECA), per kWh	$0.0263		
Electric Capacity Charge (ECC), per kWh	$0.0056		
Commercial Service – Large Energy-Wise Net Metering Option (ECLNM) – Sheet No. 6.2			
Access and Facilities Charge, per day	$1.5253	$1.6244	$1.7300
Access and Facilities Charge, per kWh	$0.0536	$0.0571	$0.0608
Demand Charge Secondary, per kW, per day	$0.4662	$0.4965	$0.5288
Electric Cost Adjustment (ECA), per kWh	$0.0263		
Electric Capacity Charge (ECC), per kWh	$0.0056		
All Other Rate Schedules billed under applicable Energy-Wise standard or frozen option.			

Approval Date: October 28, 2025
Effective Date: January 1, 2027
Resolution No.

Note: All rates are effective January 1st of the respective year shown. Rates effective 2029 will remain effective until superseded by City Council.

ELECTRIC RATE SCHEDULES

GENERAL

DEMAND DETERMINATIONS

Commercial Service (ECM, ECM-P, ECL, ECL-P)

Maximum Demand and/or Billing Demand:

Greatest 15-minute load during any block of time in the billing period.

Residential and Commercial Energy-Wise Net Metering (ERNM, ECSNM, ECMNM, ECLNM):

Average of each daily greatest 15-minute net load during the On-Peak hours in the billing period.

Industrial and Contract Service

Maximum Demand (ETL, EIS, EIS-P, E8T, E8T-P, E8S, E8S-P, ELG, ELG-P, ETX, ECD, ECD-P, ELL)

Maximum Demand is the greatest 15-minute load during any time in the billing period adjusted upward by 1% for each 1% that the power factor of Customer is below 95% lagging or leading.

Billing Demand

Energy-Wise Standard Time-of-Day Option (ETL, EIS, E8T, E8S, ELG, ETX, ECD)

On-Peak:

The greatest 15-minute load during On-Peak hours in the billing period adjusted upward by 1% for each 1% that the power factor of Customer is below 95% lagging or leading.

Off-Peak: either A or B, whichever is greater.

A. The greatest 15-minute load during Off-Peak hours in the billing period adjusted upward by 1% for each 1% that the power factor of Customer is below 95% lagging or leading, minus the
On-Peak Billing Demand. Such demand will not be less than zero.

B. 68% of the Maximum Demand during the last 12 billing periods, minus the On-Peak Billing Demand. Such demand will not be less than zero. Part B of Off-Peak Billing Demand is not applicable to Industrial Service – Transmission Voltage (ETX).

Energy-Wise Plus Time-of-Day Peak Option (EIS-P, E8T-P, E8S-P, ELG-P, ECD-P)

Demand:

The greatest 15-minute load during any time in the billing period adjusted upward by 1% for each 1% that the power factor of Customer is below 95% lagging or leading.

Industrial Service – Large Load (ELL) see Sheet No. 27.1

Electric

Worksheets

Energy-Wise Net Metering

Rate Option Worksheets

Colorado Springs Utilities
2027 Energy-Wise Net Metering Rate Option
Effective January 1, 2027

WORKSHEET 1 - SUMMARY OF PROPOSED RATES

Line No.	Rate Class	Calculated Rate Derived from 2025 Rate Case	Proposed Rates 2027	Proposed Rates 2028	Proposed Rates 2029
(a)	(b)	(c)	(d)	(e)	(f)
1	**Residential (ERNM)**				
2	Access and Facilities Charge, per day	$ 0.7287	$ 0.8265	$ 0.8802	$ 0.9374
3	Access and Facilities Charge, per kWh	$ 0.0544	$ 0.0617	$ 0.0657	$ 0.0700
4	Demand Charge Secondary, per kW, per day	$ 0.3817	$ 0.4329	$ 0.4610	$ 0.4910
5	**Commercial - Small (ECSNM)**				
6	Access and Facilities Charge, per day	$ 0.7287	$ 0.8265	$ 0.8802	$ 0.9374
7	Access and Facilities Charge, per kWh	$ 0.0490	$ 0.0556	$ 0.0592	$ 0.0630
8	Demand Charge Secondary, per kW, per day	$ 0.3047	$ 0.3456	$ 0.3681	$ 0.3920
9	**Commercial - Medium 10 kW Min (ECMNM)**				
10	Access and Facilities Charge, per day	$ 1.0367	$ 1.1759	$ 1.2523	$ 1.3337
11	Access and Facilities Charge, per kWh	$ 0.0507	$ 0.0575	$ 0.0612	$ 0.0652
12	Demand Charge Secondary, per kW, per day	$ 0.4110	$ 0.4662	$ 0.4965	$ 0.5288
13	**Commercial - Large 50 kW Min (ECLNM)**				
14	Access and Facilities Charge, per day	$ 1.3448	$ 1.5253	$ 1.6244	$ 1.7300
15	Access and Facilities Charge, per kWh	$ 0.0472	$ 0.0536	$ 0.0571	$ 0.0608
16	Demand Charge Secondary, per kW, per day	$ 0.4110	$ 0.4662	$ 0.4965	$ 0.5288

Note : Proposed 2027-2029 rates are based on an annual 6.5% service increase applied to the 2025 rate, as approved by City Council for the Electric Service on November 12, 2024.

Colorado Springs Utilities
2027 Energy-Wise Net Metering Rate Option
Effective January 1, 2027

WORKSHEET 1.1 - RATE CALCULATION

		Classified Cost[(1)]					
			Energy Related		Demand Related		
Line No.	Rate Class	Customer Related	Original Proposed 09/09/2025 Energy Related	Amended Proposed 10/01/2025 Energy Related	Original Proposed 09/09/2025 Demand Related	Amended Proposed 10/01/2025 Demand Related	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	**Residential (ERNM)**						
2	Revenue Requirement	$ 57,218,113	$ 42,505,133	$ 89,247,501	$ 93,518,563	$ 46,776,195	
3	Units	215,123	1,639,101,529	1,639,101,529	671,206 [(2)]	335,711 [(2)]	
4	Revenue Requirement per Unit	$ 0.7287 [(3)]	$ 0.0259 [(4)]	$ 0.0544 [(4)]	$ 0.3817 [(5)]	$ 0.3817 [(5)]	
5	**Commercial - Small (ECSNM)**						
6	Revenue Requirement	$ 6,598,941	$ 2,366,306	$ 4,470,153	$ 4,149,347	$ 2,045,500	
7	Units	24,810	91,250,527	91,250,527	37,314 [(2)]	18,395 [(2)]	
8	Revenue Requirement per Unit	$ 0.7287 [(3)]	$ 0.0259 [(4)]	$ 0.0490 [(4)]	$ 0.3047 [(5)]	$ 0.3047 [(5)]	
9	**Commercial - Medium 10 kW Min (ECMNM)**						
10	Revenue Requirement	$ 4,065,289	$ 17,050,467	$ 19,416,355	$ 10,390,489	$ 8,024,601	
11	Units	10,743	382,878,379	382,878,379	69,263 [(2)]	53,498 [(2)]	
12	Revenue Requirement per Unit	$ 1.0367 [(3)]	$ 0.0445 [(4)]	$ 0.0507 [(4)]	$ 0.4110 [(5)]	$ 0.4110 [(5)]	
13	**Commercial - Large 50 kW Min (ECLNM)**						
14	Revenue Requirement	$ 1,648,263	$ 17,213,025	$ 19,633,849	$ 10,781,728	$ 8,360,904	
15	Units	3,358	415,688,080	415,688,080	71,871 [(2)]	55,738 [(2)]	
16	Revenue Requirement per Unit	$ 1.3448 [(3)]	$ 0.0414 [(4)]	$ 0.0472 [(4)]	$ 0.4110 [(5)]	$ 0.4110 [(5)]	

Notes :

(1) Classified cost and billing determinants derived from 2025 Electric Cost of Service Study unless otherwised noted.

(2) Demand billing determinant units derived from 2025 Load Research Study.

(3) Revenue Requirement per Unit is calculated as Revenue Requirement divided by Units multiplied by 365 to derive the Customer Related Access and Facilities Charge, per day.

(4) Revenue Requirement per Unit is calculated as Revenue Requirement divided by Units to derive the Energy Related Access and Facilities Charge, per kWh.

(5) Revenue Requirement per Unit is calculated as Revenue Requirement divided by Units divided by 365 to derive the Demand Related Demand Charge, per kW, per day. The calculated rate is capped at, either 1) the Cost of New Energy (CONE) estimated at $150 per kW, per year, or 2) the rate as orginally proposed in the 2026 Rate Filing on September 9, 2025. Any unrecovered demand related revenue requirement above the capped level is recovered in the energy related revenue requirement.

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. **Electric Industrial Service – Large Load (ELL)**

   With the proposed addition of the ELL Rate Schedule, as detailed in the Electric Report, Utilities proposes changes to the URR Fee Table related to the Customer Responsibility for Electric Substation Facility Fees, Time and Materials charges for required transmission extensions or modifications, and Recovery Agreements for advance transmission facilities construction cost related to development of mixed use, commercial, and/or industrial sites.

2. **Large Load Study Fees**

   Utilities proposes modifications to URR provisions added in 2025 related to large load interconnection studies. Proposed changes are procedural clarifications and reductions to the minimum load sizes required for study fees.

3. **Hydraulic Analysis Report (HAR)**

   Utilities proposes the addition of $200/hr fee for simple HARs meeting requirements enabling them to be performed under the basic HAR fee of $1,600.

4. **Energy-Wise Net Metering**

   Utilities proposes modifications to Dynamic Rate Switching and Demand Metering – Electric to incorporate Energy-Wise Net Metering.

5. **Other Clerical Changes or Corrections**

   Utilities proposes several clerical changes to URRs to add clarity and/or make administrative corrections. The full detail of proposed changes can be found in the proposed resolution and tariff sheets.

Utilities Rules and Regulations

(URR) Resolution

RESOLUTION NO. _____-25

A RESOLUTION REGARDING CERTAIN CHANGES TO COLORADO SPRINGS UTILITIES' UTILITIES RULES AND REGULATIONS

WHEREAS, Colorado Springs Utilities ("Utilities") proposed modifications to the Utilities Rules and Regulations; and

WHEREAS, Utilities proposed modification of Large Load Application Requirements reducing the minimum load size requiring payment of study fees and clarification of procedures; and

WHEREAS, Utilities proposed the addition of fees and modifications to electric line service standards related to Utilities' proposed addition of the Industrial Service – Large Load ("ELL") Rate Schedule within Utilities' Electric Rate Schedules; and

WHEREAS, Utilities proposed the addition of new fees for hydraulic analysis report relating to minor applications; and

WHEREAS, Utilities proposed modification of Dynamic Rate Switching to incorporate Energy-Wise Net Metering; and

WHEREAS, Utilities proposed modification of Demand Metering – Electric to incorporate Energy-Wise Net Metering; and

WHEREAS, Utilities proposed other clerical modifications; and

WHEREAS, Utilities proposed to make the Utilities Rules and Regulations changes effective January 1, 2026; and

WHEREAS, the details of the changes noted above are reflected in Utilities' 2026 Rate Case; and

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

WHEREAS, Utilities provided public notice of the proposed changes and complied with the requirements of the City Code for changing its Utilities Rules and Regulations; and

WHEREAS, specific fees, 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, Utilities Rules and Regulations shall be revised as follows:

Effective January 1, 2026

City Council Vol. No. 6		
Sheet No.	**Title**	**Cancels Sheet No.**
Fourth Revised Sheet No. 13	GENERAL	Third Revised Sheet No. 13
Fourth Revised Sheet No. 14	GENERAL	Third Revised Sheet No. 14
First Revised Sheet No. 14.1	GENERAL	Original Sheet No. 14.1
Second Revised Sheet No. 17	GENERAL	First Revised Sheet No. 17
Second Revised Sheet No. 18	GENERAL	First Revised Sheet No. 18
Third Revised Sheet No. 20	GENERAL	Second Revised Sheet No. 20
Second Revised Sheet No. 20.1	GENERAL	First Revised Sheet No. 20.1
Second Revised Sheet No. 56	ELECTRIC	First Revised Sheet No. 56
First Revised Sheet No. 57	ELECTRIC	Original Sheet No. 57
First Revised Sheet No. 58	ELECTRIC	Original Sheet No. 58
Original Sheet No. 58.1	ELECTRIC	
Second Revised Sheet No. 59	ELECTRIC	First Revised Sheet No. 59
Second Revised Sheet No. 60	ELECTRIC	First Revised Sheet No. 60
First Revised Sheet No. 63	ELECTRIC	Original Sheet No. 63
Second Revised Sheet No. 73	NATURAL GAS	First Revised Sheet No. 73
First Revised Sheet No. 92	WATER	Original Sheet No. 92

Effective January 1, 2027

City Council Vol. No. 6		
Sheet No.	**Title**	**Cancels Sheet No.**
Third Revised Sheet No. 21	GENERAL	Second Revised Sheet No. 21
Second Revised Sheet No. 66	ELECTRIC	First Revised Sheet No. 66

Section 2. The attached sheets of the Colorado Springs Utilities Tariff, Council Decision and Order, and other related matters are hereby approved and adopted.

Dated at Colorado Springs, Colorado, this 28th day of October 2025.

_____
Lynette Crow-Iverson, Council President

ATTEST:

_____
Sarah B. Johnson, City Clerk

New Information

Utilities Rules and Regulations

(URR) Redline Tariff Sheets

Effective January 1, 2027

Electric – cont'd

No permanent service connections will be made to extensions for Temporary Service. If a Customer desires a permanent extension, all provisions for Permanent Extension for Continuous Service will apply. See Section I.B. Fee Table.

Utilities may require a deposit from a Customer for electric Temporary Service as a guarantee of payment. No deposit required and made will relieve any Customer from payment of current charges as they become due and payable, nor will any deposit be applied by Utilities to any indebtedness of the Customer except after termination of service. Deposits will be refunded according to Utilities' Rules and Regulations – General.

The Customer will pay the following damage fees when the power pedestal is returned based on the circumstances indicated.

Pedestal Damage Fees
The cost of necessary repairs if the pedestal is damaged.
The replacement cost if the pedestal must be replaced. See Section I.B. Fee Table.

If the Customer fails to make payment, Utilities will not provide additional electric Temporary Service to that Customer and may take any necessary action for restitution provided in the City Code.

C. Demand Metering – Electric

Demand metering is subject to the terms and conditions under Utilities' Electric Rate Schedules and these Utilities Rules and Regulations. Unless otherwise determined by Utilities, measured demand applicable to Commercial Rate Schedules is determined as the highest kW demand during any 15-minute interval during the billing period. Based upon a Customer(s)' meter configuration, Utilities, at its sole discretion, may determine measured demand applicable to Commercial Rate Schedules as the highest average of three five-minute kW demands occurring in any 15 minutes during the billing period. Measured demand applicable to Industrial and Contract Service Rate Schedules is determined as the highest average of three five-minute kW demands occurring in any 15 minutes during the billing period. Unless otherwise determined by Utilities, measured demand applicable to Residential and Commercial Energy-Wise Net Metering is determined as the greatest 15-minute net load during the On-Peak hours in the billing period.

D. Electric Power Factor Correction

1. Lagging: Power factor correction of any service with low power factor characteristics will, at all times, be provided with effective power factor corrective

Utilities Rules and Regulations

(URR) Final Tariff Sheets

Effective January 1, 2027

Electric – cont'd

No permanent service connections will be made to extensions for Temporary Service. If a Customer desires a permanent extension, all provisions for Permanent Extension for Continuous Service will apply. See Section I.B. Fee Table.

Utilities may require a deposit from a Customer for electric Temporary Service as a guarantee of payment. No deposit required and made will relieve any Customer from payment of current charges as they become due and payable, nor will any deposit be applied by Utilities to any indebtedness of the Customer except after termination of service. Deposits will be refunded according to Utilities' Rules and Regulations – General.

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Public

Outreach

Colorado Springs Utilities

It's how we're all connected

As your community-owned, not-for-profit utility, our mission is to deliver safe, reliable and competitively priced utilities to all of our customers. To continue doing so fairly, we are proposing updates to our Net Metering Program that reflect the true cost of delivering electricity - especially during peak demand periods.

We recognize that changes to rate structures can raise concerns, especially if you've made long-term investments in solar. Our updated proposal reflects the feedback we've received from our community.

We heard you. **Our new approach** proposes a charge that **averages** your daily highest 15-minute demand during on-peak hours (Monday - Friday, 5 p.m. - 9 p.m.) for each billing period. This helps empower solar customers to take more control of their bills.

This means we look at your highest burst of energy use each day during peak times, then average those values over the month. The less electricity you use at once during peak hours, the lower your demand charge.

Why are changes needed?

Electricity demand spikes during weekday evenings, when solar production drops and energy costs rise. Currently, net metering customers are billed at a flat rate that doesn't reflect these peak costs, resulting in non-solar customers covering about $600 per year for each net metering customer.

Customer solar is an important part of our portfolio, and we appreciate the impact that our net metering customers make to their community.

Utility-scale solar installations, accounting for almost 290 MW of electricity, generate energy at about $0.03 per kWh. Whereas, net metering energy, creating about 50 MW of electricity, is credited at about $0.12 per kWh. While we will continue to support our customer's choice to invest in solar, this difference contributes to the overall cost shift.

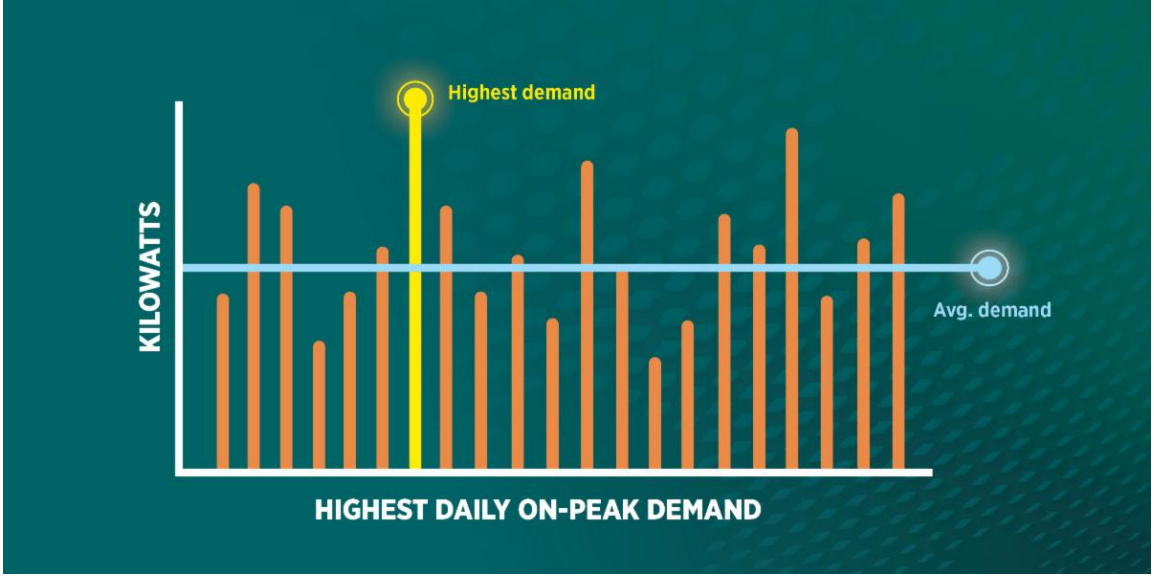
Our proposal underscores the need for a more balanced rate structure that better covers the cost of the grid infrastructure needed to exchange customer-generated solar, and deliver reliable electricity 24/7.

With this cost shift, non-solar customers are subsidizing the difference. As a not-for-profit utility, we must ensure our rates are fair and based solely on the cost of service.

What's changing?

If approved, beginning Jan. 1, 2027, net metering customers will transition to the Energy Wise Renewable Net Metering Rate Option, which includes:

- An increase to the Access and Facilities Charge (Per Day) to help cover fixed electric service costs.
    - The current 2027 rate of $0.7269 is proposed to increase to $0.8265.
- A decrease to the Access and Facilities Charge (Per kWh) to reflect energy use and delivery costs.
    - The current 2027 rate of $0.0992 per kWh is proposed to decrease to $0.0617 per kWh.
- A new Demand Charge based on the **average** of your daily highest 15-minute demand during on-peak hours (Monday - Friday, 5 p.m. - 9 p.m.), rather than a single peak. This change makes the charge more predictable and gives you more control over your bill.



With the new proposal, the median net metering customer is expected to see an electric bill increase of approximately **$25 per month.**

However, this amount can vary significantly depending on how you manage your energy use. By shifting usage to off-peak hours and spreading out your energy use during peak times, you can reduce your demand charge and lower your bill.

These changes are designed to:

- Put you in control of your electric bill.
- Promote more stable bills from month to month.
- Reduce the impact of demand charges through smarter energy use.

What's next?

- Oct. 7, 2025: Energy Wise & Net Metering Open House
  - Due to anticipated attendance, we have changed the location of this meeting to the ENT Center. If you have already registered for this event, you do not need to RSVP again.
- Oct. 14, 2025: City Council Hearing on the 2026 Rate Case*
- Oct. 28, 2025: City Council Decision & Order*
- Jan. 1, 2027: If approved, Energy Wise Renewable Energy Net Metering Options take effect.

*Please note: City Council meeting dates and agendas are subject to change. For the most current information, please refer to the **official posted agendas.**