



Colorado Springs Utilities
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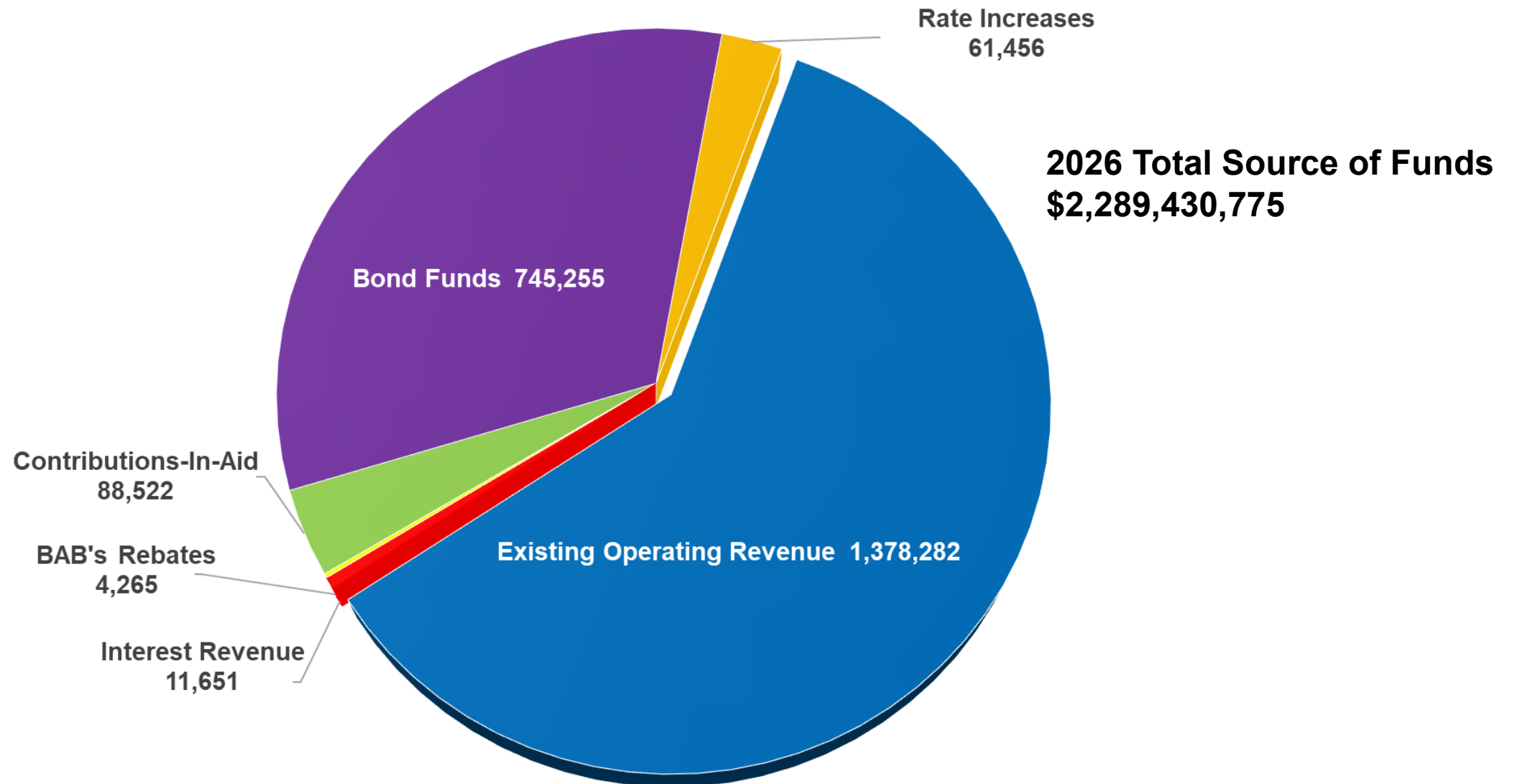
2026 Draft Budget and Rate Case

Utilities Board
August 20, 2025

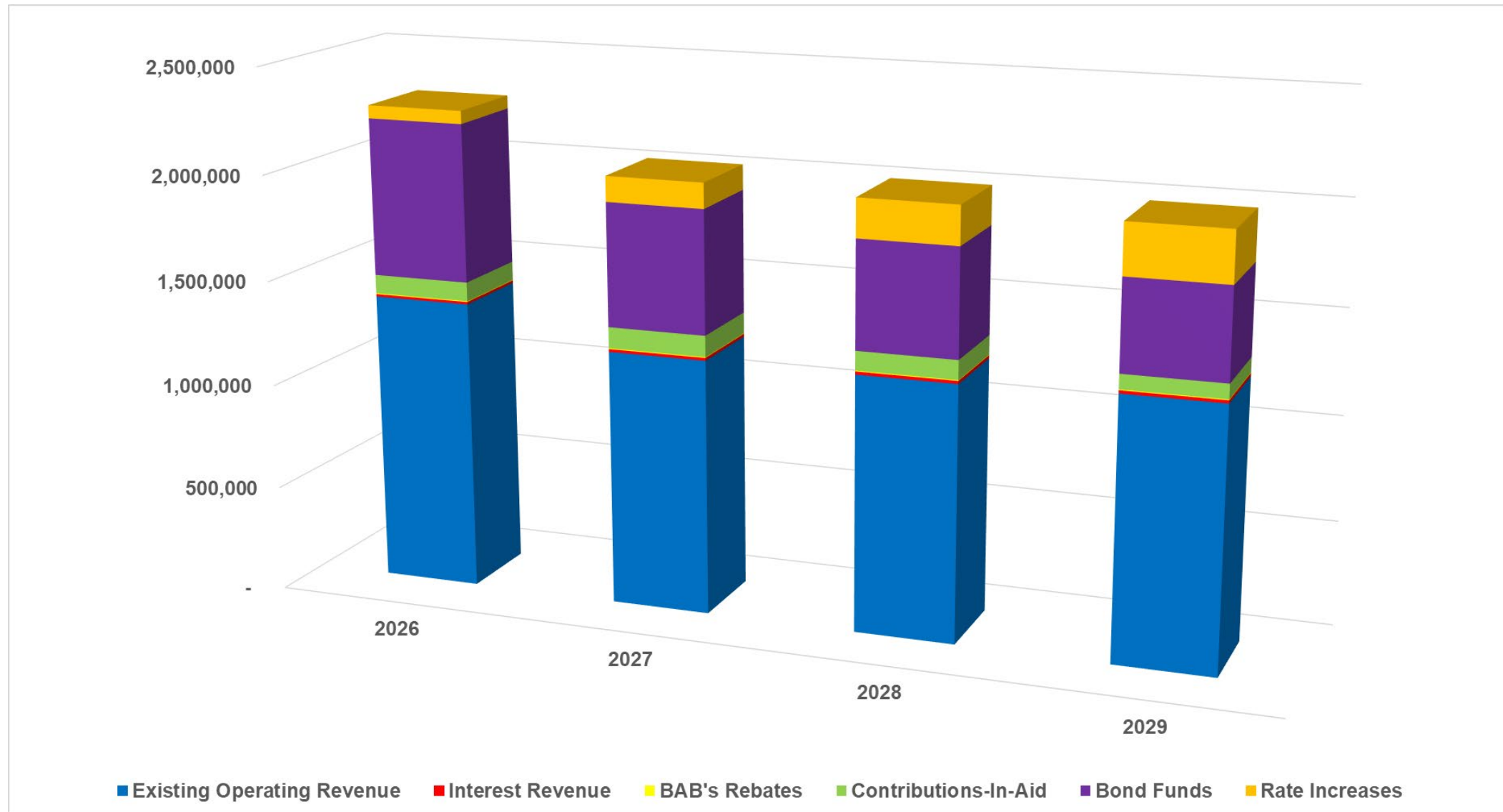
2026 Draft Budget

Budget Overview

Funding 2026 Appropriation (in thousands)



Funding 2026-29 Appropriation (in thousands)



Proposed 2026 Budget

Budget Summary (in thousands)

	2026 Proposed Budget	2025 Approved Budget	Increase / (Decrease)	% Change
Capital Projects	\$ 948,201	\$ 628,752	\$ 319,449	50.8%
Fuel Operations & Maintenance	536,073	493,961	42,112	8.5%
Non-Fuel Operations & Maintenance	451,529	437,774	13,755	3.1%
Debt Service	266,425	228,711	37,713	16.5%
Transfers - Surplus Funds to City	36,543	37,138	(594)	-1.6%
Other	365	380	(16)	-4.2%
TOTAL	\$2,239,136	\$1,826,717	\$ 412,419	22.6%

Proposed 2026 Budget Comparison

Budget Summary (in thousands)

	2026 Proposed Budget	2026 2nd Consol Budget	Increase / (Decrease)	% Change
Capital Projects	\$ 948,201	\$ 942,137	\$ 6,064	0.6%
Fuel Operations & Maintenance	339,155	336,361	2,794	0.8%
Fuel Commodity - Increased Cost Scenario	196,918	193,919	2,999	1.5%
Non-Fuel Operations & Maintenance	451,529	453,571	(2,042)	-0.5%
Debt Service	266,425	271,364	(4,939)	-1.8%
Transfers - Surplus Funds to City	36,543	37,301	(757)	-2.0%
Other	365	365	-	0.0%
TOTAL	\$2,239,136	\$2,235,016	\$ 4,119	0.2%

Proposed 2026-29 Forecast (in thousands)

	2026	2027	2028	2029
Capital Projects	\$948,201	\$860,019	\$812,512	\$758,300
Operations & Maintenance – Fuel*	\$536,073	\$538,682	\$548,673	\$548,019
Operations & Maintenance – Non-Fuel	\$451,529	\$455,593	\$462,415	\$469,441
Debt Service	\$266,425	\$302,694	\$345,329	\$373,888
Surplus Transfers & Franchise Fees	\$36,908	\$37,742	\$36,970	\$37,006
Total	\$2,239,136	\$2,194,731	\$2,205,899	\$2,186,655

* Contains high fuel case of \$197M in each year.

Proposed 2025-29 Comparison (in thousands)

	Previous 5-Year	Proposed 5-Year	Variance
Capital Projects	\$3,910,918	\$4,021,557	\$110,639
Operations & Maintenance – Fuel*	\$3,022,393	\$2,486,831	(\$535,562)
Operations & Maintenance – Non-Fuel	\$2,326,494	\$2,286,590	(\$39,904)
Debt Service	\$1,489,326	\$1,512,854	\$23,328
Surplus Transfers & Franchise Fees	\$191,419	\$185,663	(\$5,756)
Total	\$10,940,550	\$10,493,295	(\$447,255)

Total Labor and Non-Fuel Operations & Maintenance

Total Labor & O&M By Account Group (in thousands)

Account Group	FY26 Proposed Budget	FY25 Approved Budget	Increase/ (Decrease)	% Change
Total Labor	\$ 267,034	\$ 250,271	\$ 16,763	6.7%
Total Benefits	82,261	77,792	4,469	5.7%
Outside Professional Services	59,330	58,056	1,274	2.2%
Equipment Lease & Maintenance	36,609	33,162	3,447	10.4%
Buildings & Utilities	26,434	24,974	1,460	5.8%
Office Expenses, Materials & Supplies	40,186	42,900	(2,715)	-6.3%
Travel, Education & Employee Expenses	5,137	4,736	401	8.5%
Conserve, Safety, Customer Assist & Financial Info	5,565	5,280	285	5.4%
Professional/Industry Memberships & Publications	2,295	1,893	402	21.2%
Misc. Accounting General	19,308	24,680	(5,372)	-21.8%
Total ¹	\$ 544,157	\$ 523,743	\$ 20,414	3.9%

¹ Totals exclude inter-service eliminations, Administration & General overhead, and GASB 68 and 75 pension expense.

Total Labor & O&M By Division (in thousands)

Division	FY26 Proposed Budget	FY25 Approved Budget	Increase/ (Decrease)	% Change
Corporate	\$ 13,438	\$ 19,797	\$ (6,359)	-32.1%
CEO Direct Reports (Division 1)	3,804	3,409	394	11.6%
Admin and Human Resources (Division 2)	120,673	114,412	6,260	5.5%
Planning and Finance (Division 4)	22,439	23,715	(1,276)	-5.4%
Customer & Enterprise Services (Division 5)	80,404	77,452	2,952	3.8%
Operations Division (Division 7)	237,696	220,939	16,758	7.6%
System Planning and Projects (Division 9)	65,703	64,018	1,685	2.6%
Total ¹	\$ 544,157	\$ 523,743	\$ 20,414	3.9%

¹ Totals exclude inter-service eliminations, Administration & General overhead, and GASB 68 and 75 pension expense.

Capital Project Overview

2026-2029 Electric Budget Allocation

Business Critical Body of Work	Category	Project Name	4 Year Total (\$M)
Fiber	Fiber	Operational Fiber Network	203
Transmission	Growth	APIP – Peak Innovation Park(PIP) – 600MW Load	175
Distribution	Growth	Underground 12.5kV Distribution to New Residential Customers	24
Generation	Regulatory	SEP Horizon Power Plant	550
Transmission	Regulatory	SEP EIRP Implementation	261
Substation	Reliability	SEP Kelker Substation Rebuild-Expansion	40
Transmission	Reliability	SEP MW-KE Transmission Line	37
Substation	Reliability	Substations Power Transformer Purchases	33
Substation	Reliability	Central Bluffs Substation	24
Generation	Reliability	Front Range General Electric Hot Gas Path Replacement	21

2026-2029 Gas Budget Allocation

Business Critical Body of Work	Category	Project Name	4 Year Total (\$M)
Pipeline	Growth	New Construction Billable	15
Meters	Growth	Gas Meters - Base Requirements	8
Pipeline	Growth	New Construction Non-Billable	5
Pipeline	Regulatory	DIMP Accelerated Work	80
Pipeline	Regulatory	DIMP - Gas Coated Steel Renewals	15
Pipeline	Regulatory	Loch Fyne, Phase II	10
Pipeline	Regulatory	DIMP - Gas 150P System Renewals	6
Pipeline	Reliability	Downtown and Military Gas Supply Resiliency Project	56
Tools and Equipment	Reliability	Gas Unplanned Maintenance	9
Pipeline	Reliability	Gas Service Vehicles & Equipment	8

2026-2029 Water Capital Budget Allocation

Business Critical Body of Work	Category	Project Name	4 Year Total (\$M)
Finished Water	Regulatory	Public Improvement Projects – Water	25
Storage	Growth (WRF)	Continental-Hoosier System Project	107
Water Rights	Growth (WRF)	Water Acquisition (Las Animas Consolidated Company, Fort Lyon Canal Company)	30
Finished Water	Reliability	Finished Water Linear Asset Program	45
Pump	Reliability	Austin Bluffs Pump Station and Transmission	29
Treatment	Reliability	Tollefson/Mesa WTP Program Upgrades Ph 2 and 3	26
Storage	Reliability	Penrose Water Supply	23
Finished Water	Reliability	WOLF and UBGH Pressure Zone Interconnection - North Segment, Phase 1 of 2	21
Pump	Reliability	Centennial Boulevard Pump Station and Transmission	19
Storage	Reliability	Potable Water Tank Refurbishment/Replacement Program	17

2026-2029 Wastewater Budget Allocation

Business Critical Body of Work	Category	Project Name	4 Year Total (\$M)
Collection	Financial	Northern Monument Creek Interceptor	94
SSCC	Regulatory	SSCC Collection System Rehabilitation/Replacement Program	15
Treatment	Regulatory	LVSRRF I&C Improvements	14
Treatment	Regulatory	JDP BNR Upgrades Phase 1	11
Collection	Growth (CR)	EWSE Crosstown Interceptor	135
Lift	Growth (CR)	EWSE New Lift Station and Force Main Phase 1	131
Collection	Growth (CR)	EWSE Milton Proby Interceptor	66
Treatment	Reliability	LVSRRF Influent Junction Box Replacement	17
Treatment	Reliability	LVSRRF RAS Pump Replacement	9
Treatment	Reliability	CSRRRF Gas and Steam System Improvements	9

2026-2029 Common Budget Allocation

Business Critical Body of Work	Risk Type	Project Name	4 Year Total (\$M)
IT	Reliability	Computer Maintenance Management System (CMMS)	9.1
Fleet	Reliability	Common Service Vehicles & Equipment	8.3
OT	Reliability	GIS Technology Modernization Project	8
IT	Reliability	Network Enterprise Services Program	7.5
Facilities	Reliability	BRDS02 Data Center PDU/UPS Upgrade	4.7
IT	Reliability	Infrastructure Platform Program	4
OT	Reliability	Trunked Radio System Replacement Program	3.8
Facilities	Reliability	Vac Material Processing Wash Plant Recovery System	2
OT	Reliability	SCADA	1.6

2026 Budget By-Service

2026 Service Level Summary

Budget Summary (in thousands)

	2026 Proposed Budget	2025 Approved Budget	Increase / (Decrease)	% Change
Electric	\$1,315,068	\$ 916,264	\$ 398,804	43.5%
Gas	380,867	357,436	23,432	6.6%
Water	361,599	405,354	(43,755)	-10.8%
Wastewater	191,020	157,457	33,563	21.3%
Streetlighting	6,808	6,817	(9)	-0.1%
Inter-Service Eliminations	(16,227)	(16,611)	384	-2.3%
TOTAL	\$2,239,136	\$1,826,717	\$ 412,419	22.6%

4-year Service Level Summary (in thousands)

Service	2026	2027	2028	2029
Electric	\$ 1,315,068	\$ 1,127,680	\$ 1,115,702	\$ 1,045,541
Gas	\$ 380,867	\$ 423,786	\$ 433,615	\$ 414,864
Water	\$ 361,599	\$ 373,108	\$ 392,711	\$ 464,880
Wastewater	\$ 191,020	\$ 281,417	\$ 275,290	\$ 272,997
Streetlighting	\$ 6,808	\$ 6,955	\$ 7,084	\$ 7,046
Inter-Service Eliminations	\$ (16,227)	\$ (18,215)	\$ (18,502)	\$ (18,673)
Total	\$ 2,239,136	\$ 2,194,731	\$ 2,205,899	\$ 2,186,655

4-Year Average Service Level Financial Metrics

	Adjusted Debt Service Ratio	Debt Ratio	Days Cash on Hand
Electric	2.06		
Gas	2.71	70.8%	
Water	1.80	53.8%	151
Wastewater	1.81	46.1%	123
Streetlighting	4.94	55.3%	181
		22.2%	180
			24

5-year Rate Outlook

Proposed 2026-29 Budget Overview (in thousands)

Proposed Metrics		2026	2027	2028	2029	4 Year Average
Adjusted Debt Service Coverage		1.95	2.03	1.90	1.90	1.95
Debt Ratio		57.6%	58.6%	58.9%	57.5%	58.3%
Days Cash on Hand		155	155	155	155	155
Proposed Rate Increases Needed	2025 Typical Bill	2026 Rate Increases	2027 Rate Increases	2028 Rate Increases	2029 Rate Increases	2029 Typical Bill
Electric (Base Rates)	\$80.58	6.5%	6.5%	6.5%	6.5%	\$103.30
Gas (Base Rates)*	\$24.11	4.0%	4.0%	4.0%	4.0%	\$28.00
Water	\$85.10	6.5%	6.5%	6.5%	6.5%	\$109.06
Wastewater	\$37.33	9.0%	9.0%	9.0%	9.0%	\$52.65
Total Non-Fuel Bill	\$227.12	6.5% \$241.99	6.6% \$257.94	6.5% \$274.81	6.6%	\$293.01

* Excludes possible DIMP rider.

- No new base rates need through 2029

2026 Draft Rate Case

2026 Rate Case Overview

- Rate Case filing includes:
 - Proposed changes to Utilities' Tariffs and procedural actions:
 - Electric Rate Schedules
 - Utilities Rules and Regulations (URR)
 - Administrative clerical corrections to tariffs and procedural actions
 - Proposed Transmission Owner Filing
 - Southwest Power Pool (SPP) Regional Transmission Organization (RTO)
 - Withdrawal of Open Access Transmission Tariff (OATT)
- Effective date of proposed changes
 - November 1, 2025, January 1, 2026; April 1, 2026; and January 1, 2027
- The 2026 Rate Case filing will contain the comprehensive proposed changes
 - Reports, Resolutions, Tariffs, and other supporting materials

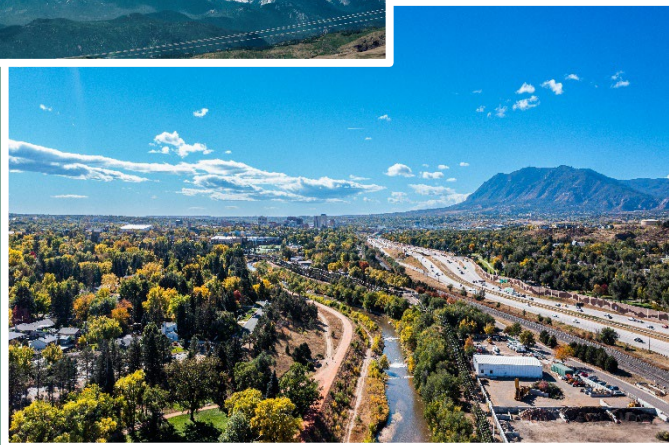
Proposed Tariff Changes and Procedural Actions

- Electric Rate Schedules
 - Industrial Service – Large Load
 - Renewable Energy Net Metering
 - Contract Service – Wheeling
- Utilities Rules and Regulations
 - Industrial Service – Large Load
 - Large Load Requirements Study Fee
 - Hydraulic Analysis Fee
- Clerical administrative changes to:
 - Electric Rate Schedules
 - Utilities Rules and Regulations
 - OATT
 - Public Utilities Regulatory Policy Act (PURPA)



OATT and Transmission Owner Filing

- Withdrawal of Utilities OATT
- Transmission Owner Filing to Southwest Power Pool (SPP) Regional Transmission Organization



Next Steps

- ✓ • August 8 Preliminary Filing to OCA
- ✓ • August 18 Utilities Board Working Committee
 - 2026 Proposed Utilities Preliminary Budget and Rate Case Presentation
- ✓ • August 20 Utilities Board:
 - 2026 Proposed Utilities Preliminary Budget and Rate Case Presentation
- September 9 City Council:
 - Request to establish a Public Hearing date and formal filing of the 2026 Rate Case with City Clerk
- October 14 City Council:
 - 2026 Utilities Budget First Reading
 - 2026 Rate Case Hearing
- October 27 City Council
 - 2026 Rate Case Draft Decision & Order
- October 28 City Council:
 - 2026 Utilities Budget Second Reading
 - 2026 Rate Case Decision & Order



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