

2025 Budget and rate fact sheet



As a community-owned, nonprofit utility, we develop our annual budget and rate case to continue to provide value to our customers' lives and support economic growth.

Our annual budget and rate case is presented to the Utilities Board and approved by City Council each year. Base rates pay for building, maintaining and upgrading the pipes and wires in our large system. Base rates changes are presented each year to support the budget. This year, City Council approved a five-year rate case.

Building the future

We currently have about \$4.6 billion of infrastructure in our system that has been built and maintained over our 100-year history. We expect to add another \$3.9 billion in assets in just five years.

Our five-year financial plan provides a roadmap for funding these investments while maintaining competitive rates compared to our Front Range peer utilities.

The 2025 budget is currently estimated at \$1.8 billion—that's 21% more than the 2024 budget.

Five-year rate outlook

As a result of the increased budget needs, the rate case includes increases across all four services for the next five years. The increases are due primarily to the rapid increase in capital projects needed to meet regulatory requirements, accommodate growth and support reliability. Capital projects make up 34% of the 2025 budget.

Capital projects

Budget drivers

The three main drivers of these investments are:

Reliability - system or equipment improvements required to operate reliably and resiliently.

Regulation - changes or projects required by local, state or federal law.

Growth - projects that increase capacity for population or system growth. These are examples of major projects for each area:

Water

Acquisition projects

Future water projects help us reliably store and deliver water to our community. Additional water supplies are needed to meet our community's continued growth.

Helping hand

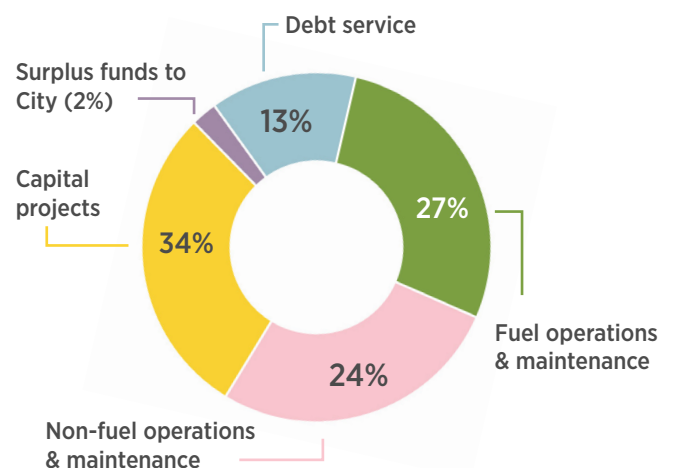


We offer flexible payment and assistance programs to meet our customers' needs, including:

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

Residential and business customers can save more with our energy- and water-efficient rebates and tips at csu.org.

2025 Total budget: \$1.8 billion



Most of these supplies will come from our water sharing program in the Lower Arkansas River Valley. Through partnerships with farmers to improve their irrigation efficiency, we're able to obtain the water they no longer need while preserving agriculture in our native river basin.

Storage projects

Reservoir storage is critical. The Continental-Hoosier System Project will allow us to fully develop our existing water rights in our Blue River system by enlarging Montgomery Reservoir.

Wastewater

One of the most significant projects is the Eastern Wastewater System Expansion. Consisting of three large, complex projects, it will serve customers in the rapidly growing eastern side of the city. It includes the design and construction of two lift stations and 18 miles of new pipelines to move waste from eastern Colorado Springs to an existing treatment plant.

Electric

Colorado regulations require us to reduce our carbon emissions 80% by 2030. To meet this mandate, we must retire our coal-fired power plants by the end of this decade. To ensure reliable electricity, we must replace this lost power with new investments in renewable and natural gas generation. Because these new renewable energy resources will be located outside of city limits, additional investments in transmission lines and substations are also critical.

Natural gas

Examples of major projects include gas propane air plant expansion and pipeline improvements to safely deliver natural gas through our system and meet increased demands.

| RATE INCREASES 2025-2029 | |
|--------------------------|-------------|
| Electric and water | 6.5% yearly |
| Natural gas | 4% yearly |
| Wastewater | 9% yearly |

Sample bill impacts

RESIDENTIAL RATE CHANGES PER MONTH

| Year | 2025 | 2026 | 2027 | 2028 | 2029 |
|--|-------------|-------------|-------------|-------------|-------------|
| Base rate total (four services) | \$14 | \$15 | \$16 | \$17 | \$18 |

COMMERCIAL RATE CHANGES

| Year | 2025 | 2026 | 2027 | 2028 | 2029 |
|--|-------------|-------------|-------------|-------------|-------------|
| Base rate total (four services) | \$83 | \$71 | \$75 | \$80 | \$85 |

INDUSTRIAL RATE CHANGES

| Year | 2025 | 2026 | 2027 | 2028 | 2029 |
|--|----------------|----------------|----------------|----------------|----------------|
| Base rate total (four services) | \$1,728 | \$2,020 | \$2,148 | \$2,279 | \$2,490 |

Sample bill

Residential: 700 kWh electricity/1,100 CF water /60 CCF natural gas, 700 CF for wastewater.
 Commercial: 6,000 kWh electricity/ 1,240 CCF natural gas, 3,000 CF for water, 3,000 CF for wastewater.
 Industrial: 40,000 kWh electricity/ 12,400 CCF natural gas, 50,000 CF for water, 50,000 CF for wastewater.

TIMELINE

| | |
|---------------------|---|
| Oct. 22 | Rate case first hearing, budget first reading. |
| Nov. 12 | Rate case and budget approved by City Council. |
| Jan. 1, 2025 | New rates and budget effective through Dec. 31, 2029. |