

Colorado Springs Utilities relies on a variety of materials to provide safe, reliable and competitively-priced services to our customers. We are experiencing limited supplies and delays in our lead times for a variety of materials and system components, including residential and commercial (single and three phase) transformers.

Why are there delays?

Transformers are intricate, expensive and time-consuming to produce. The COVID-19 pandemic has caused constrained production of transformers through raw material shortages, workforce disruptions, and transportation delays.

Is this a problem only affecting Colorado Springs Utilities?

These supply limitations are not unique to our community, or Colorado. Globally, utility companies and equipment manufacturers are experiencing similar challenges.

When was Colorado Springs Utilities notified of delays?

Our manufacturer and supplier notified us of further extended delayed lead times in mid-January 2022.

Who is this impacting?

We are doing everything we can to ensure development and building schedules are maintained and to minimize impacts. Colorado Springs Utilities' projects will face the same impacts as all development projects.

What actions has Colorado Springs Utilities taken?

- Pre-ordering transformers, before fees are paid, or designs approved, including orders for 2023 stock
- Secured additional inventory from a large public power provider
- Modified our specifications to enable us to incorporate additional manufacturers for alternative sources of supply
- Modified field standards to allow the use of alternative options
- Purchased 200+ transformers from a Canadian-based company



How will these solutions impact customers?

We are doing everything we can to ensure developer/builder schedules are not delayed due to this supply shortage. This might mean that temporary solutions are put in place until a permanent solution is implemented.

What can I do to minimize the delay?

It is important that construction requests are submitted as soon as possible so that we can accurately plan for the needs of our community.

Where can I get updates on this situation?

Updates will be provided at least monthly via email communications and at HBA Committee meetings.

Who can I ask questions about my specific projects?

Customers can contact their Utilities Field Engineering representative.

Has Colorado Springs Utilities stopped looking for solutions?

The next shipment of the standard transformers is not anticipated until January of 2023. We continue to work diligently to search for low-cost solutions without sacrificing the safety or reliability of our services.

Who will be paying for the additional cost?

Due to the increased cost of the alternative options, developers will be required to pay the difference in cost from the standard transformer installation to the alternative option as shown in the table if they elect to move forward in lieu of waiting for standard transformers.

Why isn't Colorado Springs Utilities paying for the additional cost?

As a municipally owned utility, our rates and fees are set only high enough to cover the cost to provide service. As the cost to provide service is volatile due to transformer supply chain shortages, we must pass the changes directly on to our customers who are requesting this material/ equipment, with no profits to be made.

What are the alternative solutions?

The following alternative options have been developed, which developers may elect to utilize to meet their planned schedules. The "estimated cost difference to standard" reflects the estimated additional cost that would not be covered in our tariff fee for single phase transformers.

Equipment		Time & Material Cost	Estimated Cost Difference to Standard
Standard Transformer	25 kVA	\$2,588.47	--
	50 kVA	\$2,877.08	--
Triton Transformers	25 kVA	\$7,643.91	\$5,055.44
	50 kVA	\$8,663.91	\$5,786.83
Submersible Transformers in vaults	25 kVA	\$8,236.48	\$5,648.01
	50 kVA	\$8,618.98	\$5,741.90
Modified OH Transformers in vaults	25 kVA	\$6,292.94	\$3,704.47
	50 kVA	\$7,018.37	\$4,141.29
Temporary OH Transformers on poles*	25 kVA	\$7,010.92	\$7,010.92
	50 kVA	\$7,558.10	\$7,558.10

*No estimated cost difference since we will remove the temporary pole and install a standard pad-mount when available.

Do I have to choose to move forward with this additional cost?

In lieu of paying the additional cost, developers may elect to wait until the standard transformers are available. However, expected delivery dates of our standard transformers fluctuate and we cannot guarantee delivery.

Who determines the type of equipment that will be used?

Colorado Springs Utilities will determine the which option based on the available options at the time of construction which best ensures the integrity of the overall electric system. This determination will be based on the following approach.

- Standard pad-mounted transformers will be reserved for maintenance and safety stock, and any townhome projects (other alternative do not work) that are anticipated to be ready for construction through May.
- Triton transformers will be utilized for townhomes as they become available. The remaining pad-mount transformers will be used until the inventory is exhausted.
- Submersible transformers will be the next option utilized unless the Triton transformers are delivered and available for installation.
- Modified OH transformers in vaults will be utilized only if all other options (exclusive of the temporary OH transformers on poles) have been exhausted or as a bridge until the Triton units are available.
- Temporary OH transformers on poles are not anticipated to be utilized but will be an option should they be needed. This will be reevaluated in the case that all other options are exhausted.

How will I know what alternative option will be available for my project?

Colorado Springs Utilities will determine the alternative option based on the available options at the time of construction, which best ensures the integrity of the overall electric system. Except for the townhome reservations, the alternative or transformer assignment will be based on the order in which a project is ready for construction, determined through the standard site review process by the electric Quality Control (QC) inspectors as outlined in the Electric Line Extension and Service Standards section 8.05.