



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Denny L. Nester, City Auditor  
MBA CPA CIA CFE CGFM

## 17-07 Colorado Springs Utilities Electric Cost Adjustment

February 2017

### **Purpose**

The purpose of this audit was to evaluate whether Colorado Springs Utilities prepared the Electric Cost Adjustment (ECA) in accordance with the approved tariffs. The methodology was compared to prior filings for consistency and calculations were tested for accuracy.

### **Summary**

Based on our review of calculations and related support filed with our office on February 17, 2017, we conclude that the proposed adjustment submitted by Colorado Springs Utilities was calculated accurately, consistently and complied with the approved tariff.

Colorado Springs Utilities is recommending a reduction in the fuel adjustment.

- The last ECA adjustment was effective November 1, 2016, resulting in the current ECA of \$.0273 per kwh.
- Colorado Springs Utilities proposes a reduction in the ECA from \$.0273 to \$.0222 effective March 1, 2017.

Under Utilities Board approved guidance, Colorado Springs Utilities will submit adjustments at least quarterly to manage balances within a tolerance of \$5 million over or under collection. As of January 31, 2017, the ECA collected balance was \$5,994,701.

### **Recommendations**

No formal recommendations were made.

### **Management Response**

No response was requested from Colorado Springs Utilities.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors.