



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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## 15-10 Electric Cost Adjustment

March 2015

### **Purpose**

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

### **Summary**

Based on our review of the calculations and related background information, we conclude that the ECA was calculated accurately and consistently in accordance with the approved tariff.

Colorado Springs Utilities is recommending a reduction in the fuel adjustment. This reduction will change the current charge to a refund, which will decrease customer bills.

- The last ECA adjustment was effective September 12, 2014, resulting in a reduction of the charge to \$.0007.
- Colorado Springs Utilities proposes in this filing to move from a charge of \$.0007 to a refund of (\$.0005) effective April 1, 2015.

Colorado Springs Utilities provides regular updates to the Utilities Board on the status of fuel adjustments, including the ECA. To maintain financial stability and moderate price changes to customers, Utilities management recommends periodic changes to the ECA, which are subject to approval by City Council.

Please let me know if you have any questions or comments.

### **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.

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