



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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## 18-26 Colorado Springs Utilities Electric Cost Adjustment and Gas Cost Adjustment

October 2018

### **Purpose**

The purpose of this audit was to evaluate whether Colorado Springs Utilities prepared the Electric Cost Adjustment (ECA), and Gas Cost Adjustment (GCA), 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, we conclude that the proposed adjustment submitted by Colorado Springs Utilities complied with approved tariffs. The calculations were accurate and consistent with prior filings.

For the November 1, 2018 effective date, Colorado Springs Utilities provided ECA, and GCA adjustments for consideration by City Council.

ECA - Colorado Springs Utilities proposed adjusting the ECA rate from \$.0201 per kWh to \$. 0223 per kWh.

GCA - Colorado Springs Utilities proposed adjusting the GCA rate from \$0.1820 per Ccf to \$0.2047 Ccf.

Under Utilities Board approved guidance, Colorado Springs Utilities will submit ECA and GCA adjustments at least quarterly to manage balances within a tolerance of \$5 million over or under collection. As of September 30, 2018, Colorado Springs Utilities under collected balances for ECA and GCA were within approved guidance at \$1.4 M and \$1.9 M, respectively.

Colorado Springs Utilities continued to refine the ECA and GCA calculation process to ensure over or under collected balances were refunded or charged to customers promptly.

### **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.