



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Jacqueline M. Rowland
Interim City Auditor, CPA CFE PMP

20-21—Colorado Springs Utilities Electric Cost Adjustment and Gas Cost Adjustment

July 2020

Purpose

The purpose of this audit was to evaluate whether Colorado Springs Utilities (Utilities) prepared the Electric Cost Adjustment (ECA), Gas Cost Adjustment (GCA), Electric Capacity Charge (ECC), and Gas Capacity Charge (GCC) in accordance with 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 adjustments submitted by Utilities complied with approved tariffs. The calculations were accurate and consistent with prior filings.

For the August 1, 2020 effective date, Utilities provided ECA, GCA, ECC, and GCC adjustments for consideration by City Council. The ECA supply credit adjusts the ECA charge per unit for large power customers. In accordance with previously approved guidance, this credit is reduced with this filing.

Under Utilities Board approved guidance, Utilities will submit ECA and GCA adjustments quarterly to manage balances within \$5 million over or under collected.

	Prior Rate	Proposed Rate	Over/(Under) Collection at June 30, 2020	Utility Board Guidance
(ECA)	\$.0149/ kWh	\$.0185/ kWh	\$3,289,980	+ or - \$5 million
(GCA)	\$.0738/ Ccf	\$.1084/ Ccf	(\$1,104,825)	+ or - \$5 million
(ECC)	E1R Rate \$.0046	E1R Rates \$.0042	(\$593,208)	
(GCC)	G1R/G1CS Rate \$.0530	G1R/G1CS Rate \$.0778	\$2,779,109	

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.