



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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24-01 Colorado Springs Utilities Gas Cost Adjustment

January 2024

Purpose

The purpose of this audit was to evaluate whether Colorado Springs Utilities (Utilities) prepared the 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 Utilities complied with approved tariffs. The calculations were accurate and consistent with prior filings.

Prior filing

- GCA adjustment was effective July 1, 2023. The GCA rate decreased from \$.3268/Ccf to \$.2308/Ccf.

Current filing

- For the January 15, 2024 effective date, Utilities provided a GCA adjustment for consideration by City Council.
- The GCA will decrease from the prior rate of \$.2308/Ccf to the proposed rate of \$.1238/Ccf.

Utility Board guidance

Under Utilities Board approved guidance, revisions effective September 28, 2022, Utilities will submit ECA and GCA adjustments quarterly to manage balances within \$10 million over or \$5 million under collected. However, the Utilities Electric and Natural Gas Rate Schedules do allow for cost adjustment rates to be changed as often as monthly.

Collected balances

	Over/(Under) Collection at May 31, 2023	Over/(Under) Collection at November 30, 2023	Utilities Forecast to be within Guidance
(GCA)	\$22,539,157	\$20,449,825	March 2024

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.