



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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16-11 ETL 2016 Rate Filing

June 2016

Purpose

The purpose of this audit was to review Colorado Springs Utilities ETL rate class filing with a proposed effective date of July 1, 2016.

Highlights

Colorado Springs Utilities and the Utilities' Board Finance Committee recommended an adjustment to demand charge rates for the ETL class effective July 1, 2016. The City Auditor's Office supports the proposed rate change for the ETL class.

The ETL rate filing references Utilities' Cost of Service Study performed in conjunction with the 2016 Rate Case. The 2016 Rate Case was reviewed by our office in report 15-29 issued in November, 2015.

With this proposed filing, Colorado Springs Utilities' demand charge revenues for this rate class will increase approximately 4% annually. This rate change will move revenues closer to Colorado Springs Utilities calculated cost to serve this customer class.

The City Auditor's Office acknowledges Utilities' continuous improvement efforts and use of the most current data. As part of their recent ETL revenue study, Colorado Springs Utilities identified process improvements which will be incorporated into future rate cases.

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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