



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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## 22-04 Colorado Springs Utilities Electric Cost Adjustment and Gas Cost Adjustment

January 2022

### Purpose

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

For the February 1, 2022 effective date, Utilities provided ECA and GCA adjustments for consideration by City Council.

- The ECA will decrease from the prior rate of \$.0474/kWh to the proposed rate of \$.0364/kWh
- The GCA will decrease from the prior rate of \$.8130/Ccf to the proposed rate of \$.6928/Ccf

	Over/(Under) Collection at September 30, 2021	Over/(Under) Collection at December 31, 2021	Utilities Forecast to be Within Guidance
ECA	(\$20,124,407)	(\$26,217,140)	August 2022
GCA	(\$80,547,529)	(\$55,198,375)	April 2022

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

Large under collected balances were in large part caused by the extreme weather event that happened between February 13 and February 16, 2021.

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.