



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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22-11 Colorado Springs Utilities Gas Cost Adjustment

April 2022

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.

For the May 1, 2022 effective date, Utilities provided a GCA adjustment for consideration by City Council.

- The GCA will decrease from the prior rate of \$.6928/Ccf to the proposed rate of \$.4505/Ccf

	Over/(Under) Collection at December 31, 2021	Over/(Under) Collection at March 31, 2022	Utilities Forecast to be Within Guidance
GCA	(\$55,198,375)	(\$14,859,838)	October 2022

Under Utilities Board approved guidance, Utilities will submit 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.