



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Review of Community Solar Garden Pilot Bill Credit Tariff

September 2011

Purpose

The purpose of our review was to ensure that the tariff meets the requirements under City Code section 12.1.107 E, that rates for electric service shall be just, reasonable, sufficient, and not unduly discriminatory.

Highlights

We conclude that the tariff meets the requirements under City Code section 12.1.107 E, which states that rates for electric Service shall be just, reasonable, sufficient, and not unduly discriminatory.

Colorado Springs Utilities proposes the addition of a Community Solar Garden Bill Credit to its Electric Rate schedules, under a pilot program. The City Auditor's Office reviewed Colorado Springs Utilities calculation of the proposed credit, noting that it was a blended rate of the current tariffs for the rate classes. We also noted that the credit was comparable to the existing net metering credit for residential customers in place. We found the calculation of the credit to be reasonable.

We noted as stated in the Rate Case Filing submitted by Colorado Springs Utilities, that the pilot program does not include costs of distributing electricity to the customer's premises, integrating the solar garden facility, or administering the program. Given that the pilot program is limited to 2 MW of participation at this time, we do not consider this to be significant. However, if the pilot program is expanded, these costs should be included in the tariff. Utilities tariff filing stated that these costs may be included within future revisions to the rate schedule.

A handwritten signature in cursive script, appearing to read "Jacqueline Rowland".

Jacqueline Rowland for Denny Nester
City Auditor

Recommendations

There were no recommendations resulting from our review.

Management Response

No responses from management were required.