



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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## 18-14 Colorado Springs Utilities Electric & Gas Cost Adjustment

April 2018

### **Purpose**

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

For the May 1, 2018 effective date, Colorado Springs Utilities provided ECA and GCA adjustments for consideration by City Council.

ECA - Colorado Springs Utilities proposed adjusting the ECA rate from \$.0220 per kWh to \$.0202 per kWh.

GCA - Colorado Springs Utilities proposed adjusting the GCA rate from \$.1283 per Ccf to \$.1776 per Ccf.

Under Utilities Board approved guidance, Colorado Springs Utilities will submit adjustments at least quarterly to manage balances within a tolerance of \$5 million over or under collection. As of March 31, 2018, Colorado Springs Utilities collected balances for ECA and GCA were within approved guidance.

### **Recommendations**

No formal recommendations were made.

### **Management Response**

No response was requested from Colorado Springs Utilities.

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.