Office Of The City Auditor
Colorado Springs, Colorado

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19-22 Colorado Springs Utilities
Electric Cost Adjustment and Gas Cost Adjustment

October 2019

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 adjustment submitted by Utilities complied with approved tariffs. The calculations were accurate and consistent with prior filings.

For the November 1, 2019 effective date, Utilities provided ECA and GCA adjustments for consideration by City Council.

	Prior Rate	Proposed Rate	Over/(Under) Collection at September 30, 2019	Utility Board Guidance
ECA	$.0193 / kWh	$.0195 / kWh	$1,993,953	+ or - $5 million
GCA	$.1620 / Ccf	$.1896 / Ccf	($3,506,161)	+ or - $5 million

The supply credit for large power customers is being reduced in accordance with previously approved guidance.

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

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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