



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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21-21 Colorado Springs Utilities Electric Cost Adjustment and Gas Cost Adjustment

October 2021

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 15, 2021 effective date, Utilities provided ECA and GCA adjustments for consideration by City Council.

- The ECA will increase from the prior rate of \$.0294 kWh to the proposed rate of \$.0474/kWh
- The GCA will increase from the prior rate of \$.5477/Ccf to the proposed rate of \$.8130 Ccf

	Over/(Under) Collection at Prior Adjustment	Over/(Under) Collection at September 30, 2021	Utilities Forecast to be Within Guidance
ECA *	(\$30,509,194)	(\$20,124,407)	April 2022
GCA **	(\$105,207,013)	(\$80,547,529)	April 2022

* Prior rate was effective April 1, 2021 ** Prior rate was effective March 11, 2021

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.