



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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## 24-08 Colorado Springs Utilities Electric and Gas Cost Adjustments and Electric and Gas Capacity Charges

March 2024

### Purpose

The purpose of this audit was to evaluate whether Colorado Springs Utilities (Utilities) prepared the Electric Cost Adjustment (ECA), Gas Cost Adjustment (GCA), Electric Capacity Charge (ECC), and Gas Capacity Charge (GCC) 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 April 1, 2024 effective date, Utilities provided ECA, GCA, ECC, and GCC adjustments for consideration by City Council.

	Current Rate	Proposed Rate	Over/(Under) Collected at November 30, 2023	Over/(Under) Collected at February 29, 2024	Forecasted to be within Guidance
<b>ECA</b>	\$.0284/kWh	\$.0255/kWh	(\$10,299,509)	(\$12,251,068)	August 2024
<b>ECC (E1R)</b>	\$.0042	\$.0050	\$2,116,956	\$2,389,631	N/A
<b>GCA</b>	\$.1238/Ccf	\$.0810/Ccf	\$20,449,825	\$7,598,397	Within Guidance
<b>GCC (G1R/G1CS)</b>	\$.0545	\$.0964	\$3,594,471	\$1,410,476	N/A

### Utility Board guidance

Under Utilities Board approved guidance, Utilities will submit ECA and GCA adjustments quarterly to manage balances within \$10 million over or \$5 million under collected. However, cost adjustment rates are allowed to be changed as often as monthly.

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.