



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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23-13 Colorado Springs Utilities Gas Cost Adjustment, Electric Capacity Charge, and Gas Capacity Charge

June 2023

Purpose

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

For the July 1, 2023 effective date, Utilities provided GCA, ECC, and GCC adjustments for consideration by City Council.

- The GCA will decrease from the prior rate of \$.3268/Ccf to the proposed rate of \$.2308/Ccf
- The ECC will decrease from the prior rate of \$.0044 E1R to the proposed rate of \$.0042 E1R
- The GCC will decrease from the prior rate of \$.0841 G1R/G1CS to the proposed rate of \$.0545 G1R/G1CS

	Over/(Under) Collection at March 31, 2023	Over/(Under) Collection at May 31, 2023	Utilities Forecast to be Within Guidance
GCA	\$18,764,916	\$22,539,157	January 2024
ECC	\$949,159	\$1,288,624	Not Applicable
GCC	\$7,397,771	\$7,953,740	Not Applicable

Under Utilities Board approved guidance, revisions effective September 28, 2022, Utilities will submit ECA and GCA adjustments quarterly to manage balances within \$10 million over or \$5 million under collected. However, the Utilities Electric and Natural Gas Rate Schedules do allow for cost adjustment rates to be changed as often as monthly.

Utilities reviews ECC and GCC annually and adjusts, as necessary.

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.