



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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24-20 Colorado Springs Utilities Electric and Gas Cost Adjustments

September 2024

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 October 1, 2024 effective date, Utilities provided ECA and GCA adjustments for consideration by City Council.

	Current Rate	Proposed Rate	Forecasted Over/(Under) Collection at August 31, 2024	Utilities Board Guidance:
ECA	\$.0255/kWh	\$.0301/kWh	\$2,974,841	Within Guidance
GCA	\$.0810/Ccf	\$0.1725/Ccf	\$3,644,231	Within Guidance

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, the Utilities Electric and Natural Gas Rate Schedules do allow for cost adjustment rates 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.