


ECA ALTERNATIVE 1:

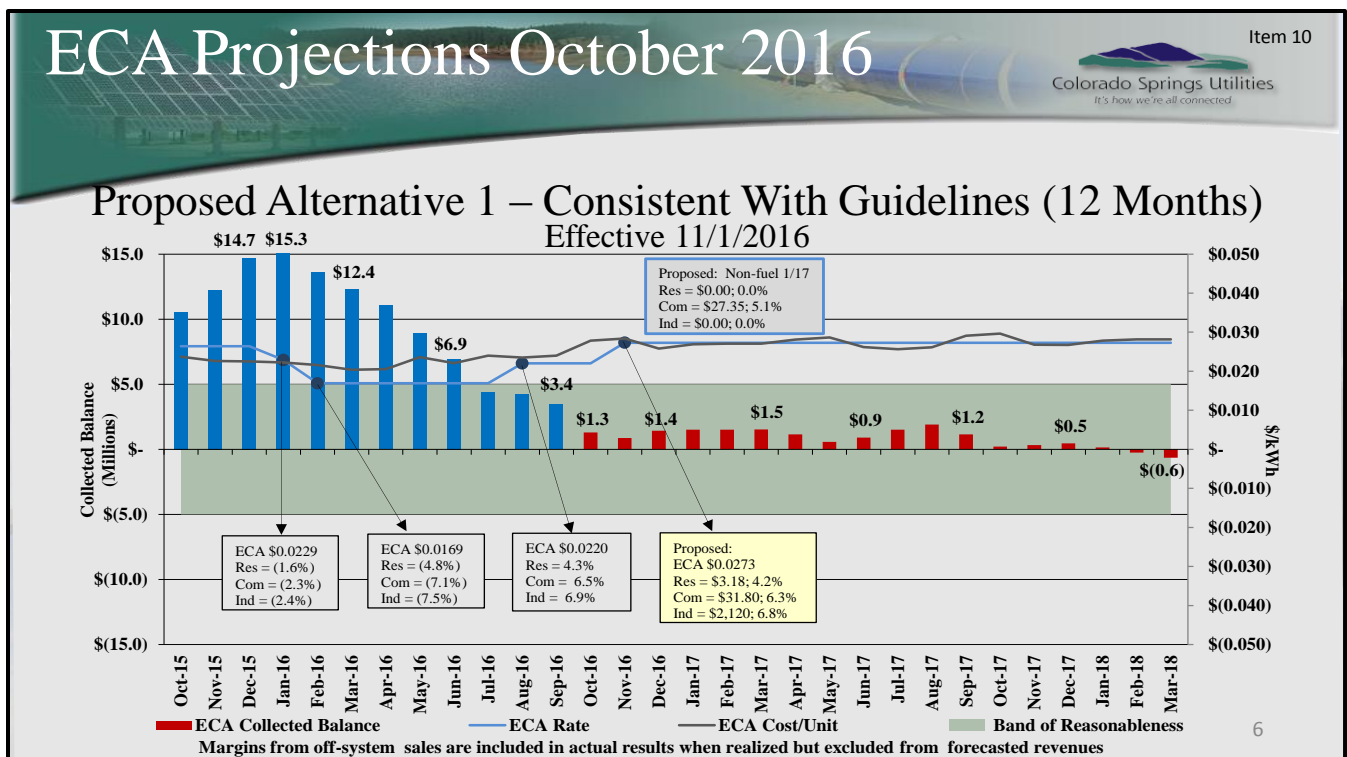
ECA Summary – Proposed Alternative 1 Consistent with Guidelines



Item 10

- Routine forecast recovery period of 12 months
- Proposed ECA rate increase from \$0.0220 to \$0.0273 eff. 11/1/16:
 - Res = \$3.18; 4.2%
 - Com = \$31.80; 6.3%
 - Ind = \$2,120.00; 6.8%
- Aligns rate with projected annual cost per kWh
- Future quarterly adjustments estimated to be minor
- Consistent with Guidelines when balances are within Band of Reasonableness

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RESOLUTION NO. _____

**A RESOLUTION SETTING THE ELECTRIC COST
ADJUSTMENT EFFECTIVE NOVEMBER 1, 2016**

WHEREAS, through Resolution No. 260-04, dated November 23, 2004, City Council directed that the Electric Cost Adjustment could be determined as frequently as monthly to levelize revenue recovery and minimize the fluctuations associated with less frequent adjustments during periods of price volatility; and

WHEREAS, through Resolution No. 76-16, City Council set the current Electric Cost Adjustment at \$0.0220/kWh effective August 1, 2016; and

WHEREAS, Colorado Springs Utilities has prepared projections of costs and revenues in conformance with the language in the ECA tariff; and

WHEREAS, Colorado Springs Utilities has shown that an Electric Cost Adjustment rate of \$0.0220 per kWh should be adjusted to \$0.0273 per kWh in order to represent the current state of electric system revenue needs and that the Electric Cost Adjustment shall be revised accordingly; and

WHEREAS, the proposed Electric Cost Adjustment rate shall be effective November 1, 2016.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
COLORADO SPRINGS:**

Section 1. That Colorado Springs Utilities Tariff, City Council Volume No. 5, Electric Rate Schedules shall be revised as follows:

Effective November 1, 2016

City Council Vol. No. 5 Sheet No.	Title	Cancels Sheet No.
Eighteenth Revised Sheet No. 31	Electric Cost Adjustment	Seventeenth Revised Sheet No. 31

Section 2. The Electric Cost Adjustment rate and the effective date shall be published in the legal section of a newspaper of general circulation in Colorado Springs Utilities' service area within ten (10) days following the date of the passage of this Resolution.

Section 3. The attached tariff sheet is hereby approved and adopted effective November 1, 2016 and shall remain in effect unless changed by subsequent Resolution of the City Council.

Dated at Colorado Springs, Colorado this 25th day of October, 2016.

Council President

ATTEST:

Sarah Johnson, City Clerk



ELECTRIC RATE SCHEDULES

ELECTRIC COST ADJUSTMENT - ECA

APPLICABILITY

Applicable to all rate schedules that are subject to an Electric Cost Adjustment (ECA).

ELECTRIC COST ADJUSTMENT

The ECA will be computed, as follows:

The sum of:

- a) the forecasted generation fuel, purchased power, and related costs for the future recovery period determined by Utilities plus
- b) an amount determined by Utilities as a projected over or under collected balance at the end of the recovery period used in a) above less the over or under collected balance of fuel and purchased power costs at the beginning of the recovery period.

Divided by:

- c) forecasted sales subject to the ECA for the same period used in a) above.

Standard ECA

Rate Schedule	Per kWh
E1R, E1C, E2C, ETLO, ETLW, ELG, E2T, E7S	\$0.0273

Time-of-Day (TOD) ECA

Rate Schedule	Per On-Peak kWh	Per Off-Peak kWh
ETR	\$0.0682	\$0.0212
ETC, ETX, ETL, E8T, E8S, ECD	\$0.0470	\$0.0218

These rates may change as often as monthly by Resolution after review by the Office of the City Auditor and approval by City Council.

Approval Date: October 25, 2016
 Effective Date: November 1, 2016
 Resolution No. _____



ELECTRIC RATE SCHEDULES

ELECTRIC COST ADJUSTMENT - ECA

APPLICABILITY

Applicable to all rate schedules that are subject to an Electric Cost Adjustment (ECA).

ELECTRIC COST ADJUSTMENT

The ECA will be computed, as follows:

The sum of:

- a) the forecasted generation fuel, purchased power, and related costs for the future recovery period determined by Utilities plus
- b) an amount determined by Utilities as a projected over or under collected balance at the end of the recovery period used in a) above less the over or under collected balance of fuel and purchased power costs at the beginning of the recovery period.

Divided by:

- c) forecasted sales subject to the ECA for the same period used in a) above.

Standard ECA

Rate Schedule	Per kWh
E1R, E1C, E2C, ETLO, ETLW, ELG, E2T, E7S	\$0.02 <u>73229</u>

Time-of-Day (TOD) ECA

Rate Schedule	Per On-Peak kWh	Per Off-Peak kWh
ETR	\$0.06 <u>8229</u>	\$0.02 <u>12459</u>
ETC, ETX, ETL, E8T, E8S, ECD	\$0.04 <u>7017</u>	\$0.02 <u>18465</u>

These rates may change as often as monthly by Resolution after review by the Office of the City Auditor and approval by City Council.

Approval Date: October 25, 2016~~July 26, 2016~~
 Effective Date: November 1, 2016~~August 1, 2016~~
 Resolution No. 76-16

**Colorado Springs Utilities
Electric Cost Adjustment (ECA)**

**SCHEDULE 1
ECA EFFECTIVE 11/1/2016**

Line No.	Description	Forecast Calculation Period Nov 16-Oct 17
<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
1	Forecasted Generation Fuel and Purchased Power Cost	\$ 126,219,175 ^{(1)(2a)}
2	<u>Plus:</u>	
3	Forecasted Over/(Under) Recovery as of 10/31/2017	215,519
4	Less Forecasted Over/(Under) Recovery as of 10/31/2016	1,301,733
5	Cumulative Over/(Under) Recovery (Line 3 - Line 4)	<u>\$ (1,086,214) ^(2b)</u>
6	Total Cost (Line 1+Line 5)	<u>\$ 125,132,961</u>
7	<u>Divided by:</u>	
8	Forecasted Sales Subject to the ECA (kWh)	4,583,624,941 ^(2c)
9	<u>Equals:</u>	
10	ECA Rate per kWh (Line 6 / Line 8)	<u>\$ 0.0273</u> ⁽³⁾

Notes:

⁽¹⁾ Includes credits for forecasted Wind Power Charges and Industrial Service - Large Power and Light Supply Credits

⁽²⁾ Tariff reference (Electric Rate Schedules, City Council Volume No. 5, Eighteenth Revised Sheet No. 31)

^{a)} Forecasted cost of generation fuel, purchased power, and related costs


^{b)} Forecasted collected balance at the end of recovery period less collected balance at beginning of recovery period

^{c)} Forecasted sales subject to the ECA

⁽³⁾ Time-of-day (TOD) ECA rates established in conformance with TOD objectives and rate design guidelines

ECA ALTERNATIVE 2:

ECA Summary – Alternative 2 Inconsistent with Guidelines

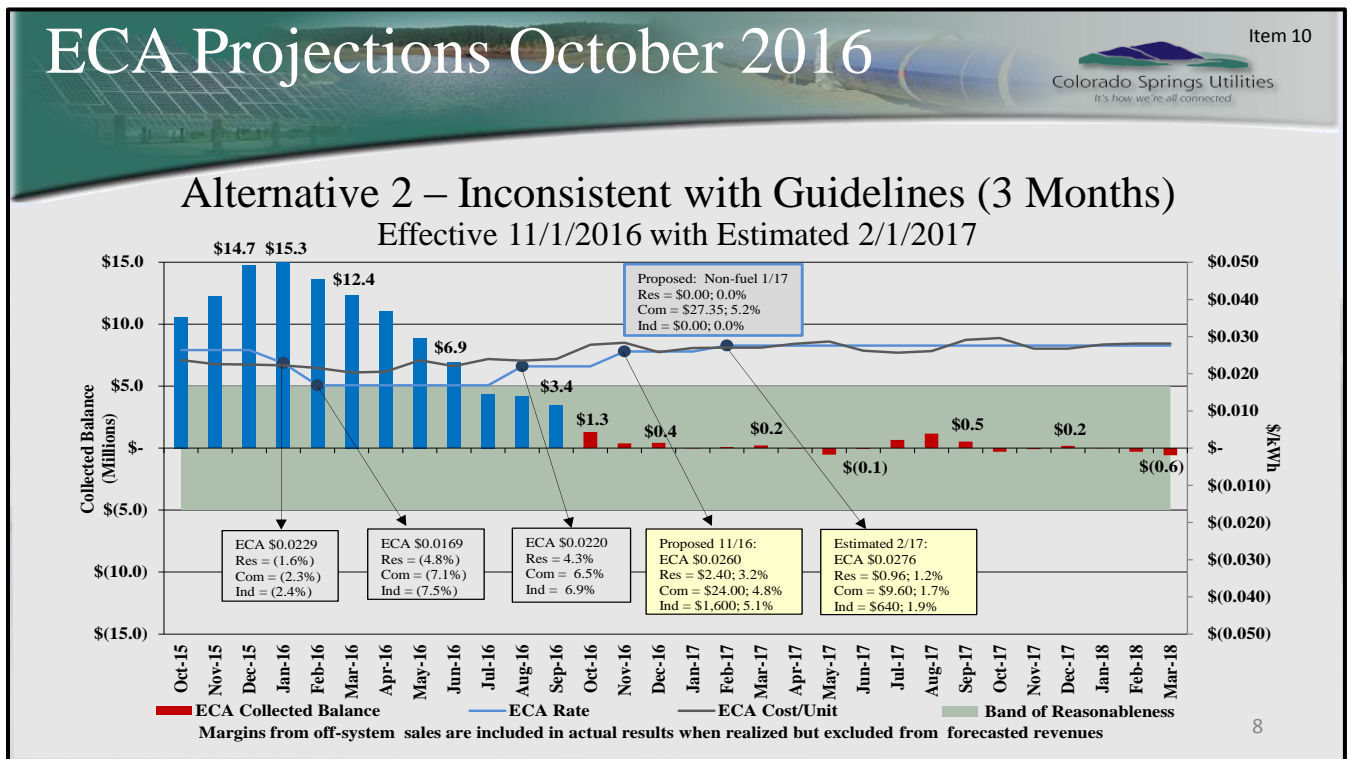


Item 10

- Shortened forecast recovery period of 3 months
- Proposed ECA rate increase from \$0.0220 to \$0.0260 eff. 11/1/16:
 - Res = \$2.40; 3.2%
 - Com = \$24.00; 4.8%
 - Ind = \$1,600.00; 5.1%
- Delayed alignment of ECA rate with annual cost per kWh
- Incremental rate adjustments in November 2016 and February 2017
- Inconsistent with Guidelines when balances are within Band of Reasonableness

Estimated: Jan filing effective 2/1/2017
 ECA \$0.0276
 Res = \$0.96; 1.2%
 Com = \$9.60; 1.8%
 Ind = \$640.00; 1.9%

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RESOLUTION NO. _____

**A RESOLUTION SETTING THE ELECTRIC COST
ADJUSTMENT EFFECTIVE NOVEMBER 1, 2016**

WHEREAS, through Resolution No. 260-04, dated November 23, 2004, City Council directed that the Electric Cost Adjustment could be determined as frequently as monthly to levelize revenue recovery and minimize the fluctuations associated with less frequent adjustments during periods of price volatility; and

WHEREAS, through Resolution No. 76-16, City Council set the current Electric Cost Adjustment at \$0.0220/kWh on July 26, 2016 to be effective August 1, 2016; and

WHEREAS, Colorado Springs Utilities has prepared projections of costs and revenues in conformance with the language in the ECA tariff; and

WHEREAS, Colorado Springs Utilities has shown that an Electric Cost Adjustment rate of \$0.0220 per kWh should be adjusted to \$0.0260 per kWh in order to represent the current state of electric system revenue needs and that the Electric Cost Adjustment shall be revised accordingly; and

WHEREAS, the proposed Electric Cost Adjustment rate shall be effective November 1, 2016.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
COLORADO SPRINGS:**

Section 1. That Colorado Springs Utilities Tariff, City Council Volume No. 5, Electric Rate Schedules shall be revised as follows:

Effective November 1, 2016

City Council Vol. No. 5 Sheet No.	Title	Cancels Sheet No.
Eighteenth Revised Sheet No. 31	Electric Cost Adjustment	Seventeenth Revised Sheet No. 31

Section 2. The Electric Cost Adjustment rate and the effective date shall be published in the legal section of a newspaper of general circulation in Colorado Springs Utilities' service area within ten (10) days following the date of the passage of this Resolution.

Section 3. The attached tariff sheet is hereby approved and adopted effective November 1, 2016 and shall remain in effect unless changed by subsequent Resolution of the City Council.

Dated at Colorado Springs, Colorado this 25th day of October, 2016.

Council President

ATTEST:

Sarah Johnson, City Clerk



ELECTRIC RATE SCHEDULES

ELECTRIC COST ADJUSTMENT - ECA

APPLICABILITY

Applicable to all rate schedules that are subject to an Electric Cost Adjustment (ECA).

ELECTRIC COST ADJUSTMENT

The ECA will be computed, as follows:

The sum of:

- a) the forecasted generation fuel, purchased power, and related costs for the future recovery period determined by Utilities plus
- b) an amount determined by Utilities as a projected over or under collected balance at the end of the recovery period used in a) above less the over or under collected balance of fuel and purchased power costs at the beginning of the recovery period.

Divided by:

- c) forecasted sales subject to the ECA for the same period used in a) above.

Standard ECA

Rate Schedule	Per kWh
E1R, E1C, E2C, ETLO, ETLW, ELG, E2T, E7S	\$0.0260

Time-of-Day (TOD) ECA

Rate Schedule	Per On-Peak kWh	Per Off-Peak kWh
ETR	\$0.0669	\$0.0199
ETC, ETX, ETL, E8T, E8S, ECD	\$0.0457	\$0.0205

These rates may change as often as monthly by Resolution after review by the Office of the City Auditor and approval by City Council.

Approval Date: October 25, 2016
 Effective Date: November 1, 2016
 Resolution No. _____



ELECTRIC RATE SCHEDULES

ELECTRIC COST ADJUSTMENT - ECA

APPLICABILITY

Applicable to all rate schedules that are subject to an Electric Cost Adjustment (ECA).

ELECTRIC COST ADJUSTMENT

The ECA will be computed, as follows:

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- a) the forecasted generation fuel, purchased power, and related costs for the future recovery period determined by Utilities plus
- b) an amount determined by Utilities as a projected over or under collected balance at the end of the recovery period used in a) above less the over or under collected balance of fuel and purchased power costs at the beginning of the recovery period.

Divided by:

- c) forecasted sales subject to the ECA for the same period used in a) above.

Standard ECA

Rate Schedule	Per kWh
E1R, E1C, E2C, ETLO, ETLW, ELG, E2T, E7S	\$0.02 60 220

Time-of-Day (TOD) ECA

Rate Schedule	Per On-Peak kWh	Per Off-Peak kWh
ETR	\$0.06 69 29	\$0.01 99 59
ETC, ETX, ETL, E8T, E8S, ECD	\$0.04 57 17	\$0.02 05 165

These rates may change as often as monthly by Resolution after review by the Office of the City Auditor and approval by City Council.

Approval Date: October 25, 2016~~July 26, 2016~~
 Effective Date: November 1, 2016~~August 1, 2016~~
 Resolution No. 76-16

**Colorado Springs Utilities
Electric Cost Adjustment (ECA)**

**SCHEDULE 1
ECA EFFECTIVE 11/1/2016**

Line No.	Description	Forecast Calculation Period Nov 16-Jan 17
<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
1	Forecasted Generation Fuel and Purchased Power Cost	\$ 31,898,040 ^{(1)(2a)}
2	<u>Plus:</u>	
3	Forecasted Over/(Under) Recovery as of 1/31/2017	(26,211)
4	Less Forecasted Over/(Under) Recovery as of 10/31/2016	1,301,733
5	Cumulative Over/(Under) Recovery (Line 3 - Line 4)	<u>\$ (1,327,944) ^(2b)</u>
6	Total Cost (Line 1+Line 5)	<u>\$ 30,570,096</u>
7	<u>Divided by:</u>	
8	Forecasted Sales Subject to the ECA (kWh)	1,175,772,917 ^(2c)
9	<u>Equals:</u>	
10	ECA Rate per kWh (Line 6 / Line 8)	<u>\$ 0.0260</u> ⁽³⁾

Notes:

⁽¹⁾ Includes credits for forecasted Wind Power Charges and Industrial Service - Large Power and Light Supply Credits

⁽²⁾ Tariff reference (Electric Rate Schedules, City Council Volume No. 5, Eighteenth Revised Sheet No. 31)

^{a)} Forecasted cost of generation fuel, purchased power, and related costs

^{b)} Forecasted collected balance at the end of recovery period less collected balance at beginning of recovery period

^{c)} Forecasted sales subject to the ECA

⁽³⁾ Time-of-day (TOD) ECA rates established in conformance with TOD objectives and rate design guidelines