

RESOLUTION NO. 114-17

A RESOLUTION SETTING THE ELECTRIC COST ADJUSTMENT AND ELECTRIC CAPACITY CHARGE EFFECTIVE NOVEMBER 1, 2017

WHEREAS, the Colorado Springs Utilities' Electric Rate Schedules allow Electric Cost Adjustment and Electric Capacity Charge rates to be changed as often as monthly; and

WHEREAS, Utilities has proposed, and the City Council finds it prudent to shift recovery of expenses associated with transporting and storing natural gas used for electric generation from the Electric Cost Adjustment to the Electric Capacity Charge; and

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

WHEREAS, Colorado Springs Utilities has shown that an Electric Cost Adjustment rate of \$0.0267 per kWh should be adjusted to \$0.0220 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, Utilities has proposed, and the City Council finds it prudent, to approve changes to the Electric Capacity Charge rates; and

WHEREAS, the proposed Electric Cost Adjustment and Electric Capacity Charge rates shall be effective November 1, 2017.

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, 2017

| City Council Vol. No. 5 Sheet No. | Title | Cancels Sheet No. |
|--------------------------------------|--------------------------|-----------------------------------|
| Twenty-second Revised Sheet No. 31 | Electric Cost Adjustment | Twenty-first Revised Sheet No. 31 |
| Eighth Revised Sheet No. 31.1 | Electric Capacity Charge | Seventh Revised Sheet No. 31.1 |

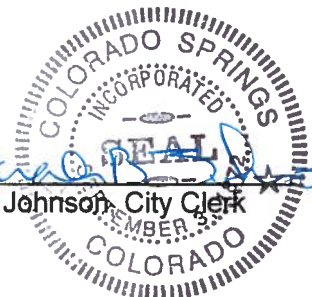
Section 2. The Electric Cost Adjustment and Electric Capacity Charge rates and the effective dates shall be published in the legal section of a newspaper of general circulation in Colorado Springs Utilities' service area within ten (10) days following the date of the passage of this Resolution.

Section 3. The attached tariff sheets are hereby approved and adopted effective November 1, 2017 and shall remain in effect unless changed by subsequent Resolution of the City Council.

Dated at Colorado Springs, Colorado this 24th day of October, 2017.

ATTEST:


Sarah B. Johnson, City Clerk





Council President



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|---------------------------------------|
| 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 | \$0.0220 |

Time-of-Day (TOD) ECA

| Rate Schedule | Per On-Peak kWh | Per Off-Peak kWh |
|------------------------------|-----------------|------------------|
| ETR | \$0.0629 | \$0.0159 |
| ETC, ETX, ETL, E8T, E8S, ECD | \$0.0417 | \$0.0165 |

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 24, 2017
 Effective Date: November 1, 2017
 Resolution No. _____



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| 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 | \$0.02670220 |

Time-of-Day (TOD) ECA

| Rate Schedule | Per On-Peak kWh | Per Off-Peak kWh |
|------------------------------|-----------------|------------------|
| ETR | \$0.06760629 | \$0.02060159 |
| ETC, ETX, ETL, E8T, E8S, ECD | \$0.04640417 | \$0.02120165 |

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: ~~July 25, 2017~~ October 24, 2017
 Effective Date: ~~August 1, 2017~~ November 1, 2017
 Resolution No. _____



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| ELECTRIC RATE SCHEDULES |
| ELECTRIC CAPACITY CHARGE - ECC |

The Revenue Requirements for delivering and storing natural gas used for electric generation and capacity payments to Western Area Power Authority (WAPA) are supported by the rates below:

| <u>Rate Class</u> | <u>Per kWh</u> |
|---------------------------------------------------|----------------|
| Residential General (E1R) | \$0.0047 |
| Residential Time-of-Day (ETR) | \$0.0059 |
| Small Commercial (E1C)..... | \$0.0047 |
| Commercial General (E2C) | \$0.0044 |
| Commercial TOD General (ETC)..... | \$0.0028 |
| Industrial TOD 1,000 kWh/Day Minimum (ETL) | \$0.0041 |
| Industrial Transmission Voltage – TOD (ETX) | \$0.0039 |
| Industrial TOD 500 kW Minimum (E8T)..... | \$0.0034 |
| Industrial TOD 4,000 kW Minimum (E8S)..... | \$0.0029 |
| Large Power and Light (ELG) | \$0.0027 |
| Traffic Signals (E2T) | \$0.0024 |
| Street Lighting (E7S) | \$0.0024 |
| Contract Service – DOD (ECD) | \$0.0035 |

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 24, 2017
 Effective Date: November 1, 2017
 Resolution No. _____



ELECTRIC RATE SCHEDULES

ELECTRIC CAPACITY CHARGE - ECC

The ~~2016~~ Revenue Requirements for delivering and storing natural gas used for electric generation and capacity payments to Western Area Power Authority (WAPA) ~~is~~are supported by the rates below:

| <u>Rate Class</u> | <u>Per kWh</u> |
|---------------------------------------------------|----------------|
| Residential General (E1R) | \$0.00140047 |
| Residential Time-of-Day (ETR) | \$0.00200059 |
| Small Commercial (E1C)..... | \$0.00140047 |
| Commercial General (E2C) | \$0.00120044 |
| Commercial TOD General (ETC)..... | \$0.00130028 |
| Industrial TOD 1,000 kWh/Day Minimum (ETL) | \$0.00150041 |
| Industrial Transmission Voltage – TOD (ETX) | \$0.00140039 |
| Industrial TOD 500 kW Minimum (E8T)..... | \$0.00110034 |
| Industrial TOD 4,000 kW Minimum (E8S)..... | \$0.00080029 |
| Large Power and Light (ELG) | \$0.00080027 |
| Traffic Signals (E2T) | \$0.00080024 |
| Street Lighting (E7S) | \$0.00080024 |
| Contract Service – DOD (ECD) | \$0.00120035 |

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: ~~December 8, 2015~~ October 24, 2017
 Effective Date: ~~January 1, 2016~~ November 1, 2017
 Resolution No. ~~138-15~~

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

**SCHEDULE 1
ECA EFFECTIVE 11/1/2017**

| Line No. | Description | Forecast Calculation Period November 17- October 18 |
|----------|--------------------------------------------------------|-----------------------------------------------------------|
| (a) | (b) | (c) |
| 1 | Forecasted Generation Fuel and Purchased Power Cost | \$ 102,893,203 ^{(1)(2a)} |
| 2 | <u>Plus:</u> | |
| 3 | Forecasted Over/(Under) Recovery as of 10/31/2018 | 108,381 |
| 4 | Less Forecasted Over/(Under) Recovery as of 10/31/2017 | 1,646,789 |
| 5 | Cumulative Over/(Under) Recovery (Line 3 - Line 4) | <u>\$ (1,538,408) ^(2b)</u> |
| 6 | Total Cost (Line 1+Line 5) | <u>\$ 101,354,795</u> |
| 7 | <u>Divided by:</u> | |
| 8 | Forecasted Sales Subject to the ECA (kWh) | <u>4,607,036,115 ^(2c)</u> |
| 9 | <u>Equals:</u> | |
| 10 | ECA Rate per kWh (Line 6 / Line 8) | <u>\$ 0.0220 ⁽³⁾</u> |

Notes:

⁽¹⁾ Includes credits for forecasted Off-System Sales and Industrial Service - Large Power and Light Supply Credits

⁽²⁾ Tariff reference (Electric Rate Schedules, City Council Volume No. 5, Twenty-second 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

Colorado Springs Utilities
Electric Capacity Charge (ECC)

SCHEDULE 2
ELECTRIC CAPACITY CHARGE RATES EFFECTIVE 11/1/2017

| Line No. | Rate Class | AF01 % Sales | Commodity Related Expense | AF02 % Excess Demand | Demand Related Expense | Total Forecast Capacity Expense 11/17 - 7/20 | Forecasted Sales 11/17 - 7/20 | ECC Rate Per kWh |
|----------|--------------------------------------------------|---------------|---------------------------|----------------------|------------------------|----------------------------------------------|-------------------------------|------------------|
| (a) | (b) | (c) | (d) | (e) | (f) | (g)+(h) | (h) | (i) |
| 1 | Residential/Small Commercial (E1R/E1C) | 35.15% | \$ 11,151,194 | 43.55% | \$ 8,735,199 | \$ 19,886,393 | 4,225,668,362 | \$0.0047 |
| 2 | Residential Time-of-Day (ETR) | 0.01% | 1,945 | 0.01% | 2,806 | 4,751 | 804,499 | \$0.0059 |
| 3 | Commercial General (E2C) | 14.08% | 4,467,591 | 18.21% | 3,652,263 | 8,119,854 | 1,848,249,717 | \$0.0044 |
| 4 | Commercial TOD General (ETC) | 0.70% | 223,489 | 0.19% | 38,602 | 262,091 | 92,457,600 | \$0.0028 |
| 5 | Industrial TOD 1,000 kWh/Day Min (ETL) | 19.21% | 6,094,565 | 21.08% | 4,226,963 | 10,321,528 | 2,521,331,296 | \$0.0041 |
| 6 | Industrial TOD 500 kW Min (E8T) | 14.17% | 4,496,979 | 8.98% | 1,800,658 | 6,297,637 | 1,860,407,550 | \$0.0034 |
| 7 | Industrial Transmission Voltage TOD (ETX) | 0.96% | 303,727 | 0.95% | 189,602 | 493,330 | 125,652,463 | \$0.0039 |
| 8 | Industrial TOD 4,000 kW Min (E8S) | 1.80% | 572,007 | 0.59% | 119,234 | 691,241 | 236,640,414 | \$0.0029 |
| 9 | Industrial Service - Large Power and Light (ELG) | 6.63% | 2,104,847 | 1.41% | 282,617 | 2,387,464 | 870,778,532 | \$0.0027 |
| 10 | Traffic Signals (E2T) | 0.04% | 11,923 | 0.00% | - | 11,923 | 4,932,583 | \$0.0024 |
| 11 | Street Lighting (E7S) | 0.03% | 10,322 | 0.00% | - | 10,322 | 4,270,300 | \$0.0024 |
| 12 | Contract Service - DOD (ECD) | 7.22% | 2,289,214 | 5.03% | 1,007,839 | 3,297,053 | 947,051,381 | \$0.0035 |
| 13 | Total | 100.0% | \$ 31,727,803 | 100.0% | \$ 20,055,783 | \$ 51,783,586 | 12,738,244,699 | |

Note: Immaterial differences may occur due to rounding on all ECC schedules.

Colorado Springs Utilities
Electric Capacity Charge (ECC)

SCHEDULE 2.1
ELECTRIC CAPACITY CHARGE ALLOCATION FACTORS (AF)

| Line No. | Rate Class | Forecasted Sales | | AF01 | | AF02 | | |
|----------|--------------------------------------------------|-----------------------------|-----|--------------------------------------------------|----------------|--------------------|-------------------------------------------------|---------------------|
| | | 11/17 - 7/20 ⁽¹⁾ | (c) | Average Demand kW $\frac{(d)}{(c)/(1003*24)}$ | % Sales (e) | 3CP ⁽²⁾ | Excess Demand 3CP (kW) $\frac{(g)}{(f)-(d)}$ | % Excess Day (h) |
| 1 | Residential/Small Commercial (EIR/EIC) | 4,225,668,362 | | 175,543 | 35.15% | 319,947 | 144,404 | 43.55% |
| 2 | Residential Time-of-Day (ETR) | 804,499 | | 31 | 0.01% | 77 | 46 | 0.01% |
| 3 | Commercial General (E2C) | 1,848,249,717 | | 70,329 | 14.08% | 130,706 | 60,377 | 18.21% |
| 4 | Commercial TOD General (ETC) | 92,457,600 | | 3,518 | 0.70% | 4,156 | 638 | 0.19% |
| 5 | Industrial TOD 1,000 kWh/Day Min (ETL) | 2,521,331,296 | | 95,941 | 19.21% | 165,818 | 69,877 | 21.08% |
| 6 | Industrial TOD 500 kW Min (E8T) | 1,860,407,550 | | 70,792 | 14.17% | 100,559 | 29,767 | 8.98% |
| 7 | Industrial Transmission Voltage TOD (ETX) | 125,652,463 | | 4,781 | 0.96% | 7,916 | 3,134 | 0.95% |
| 8 | Industrial TOD 4,000 kW Min (E8S) | 236,640,414 | | 9,005 | 1.80% | 10,976 | 1,971 | 0.59% |
| 9 | Industrial Service - Large Power and Light (ELG) | 870,778,532 | | 33,135 | 6.63% | 37,807 | 4,672 | 1.41% |
| 10 | Traffic Signals (E2T) | 4,932,583 | | 188 | 0.04% | 137 | - | 0.00% |
| 11 | Street Lighting (E7S) | 4,270,300 | | 162 | 0.03% | - | - | 0.00% |
| 12 | Contract Service - DOD (ECD) | 947,051,381 | | 36,037 | 7.22% | 52,698 | 16,661 | 5.03% |
| 13 | Total | 12,738,244,699 | | 499,461 | 100.00% | 830,796 | 331,548 | 100.00% |

Notes:

⁽¹⁾ Forecasted sales based on 2018 long term forecast.

⁽²⁾ Coincident peak demand based on 2018 Cost of Service.

Colorado Springs Utilities
Electric Capacity Charge (ECC)

SCHEDULE 2.2
FORECASTED ELECTRIC CAPACITY EXPENSE ⁽¹⁾

| Line No. | Description (b) | Account (c) | Total Forecast Capacity Expense 11/17 - 7/20 (d) | Commodity Related Expense (e) | Demand Related Expense (f) |
|----------|-------------------------------------------------------|----------------|-----------------------------------------------------|----------------------------------|-------------------------------|
| 1 | Fuel, Transport/Storage ⁽²⁾ | 547090 | \$ 33,389,184 | \$ 20,457,553 | \$ 12,931,631 |
| 2 | Purchased Power Capacity | 555070 | 16,196,846 | 9,923,808 | 6,273,039 |
| 3 | Total Forecasted Capacity Expense | | \$ 49,586,030 | \$ 30,381,361 | \$ 19,204,670 |
| 4 | Plus: Cumulative Over/(Under) Recovery ⁽³⁾ | | 2,197,556 | 1,346,443 | 851,113 |
| 5 | Total (Line 3 + Line 4) | | \$ 51,783,586 | \$ 31,727,803 | \$ 20,055,783 |

Notes:

⁽¹⁾ Capacity expense classified as commodity and demand related expense based on system load factor from 2018 Electric rate filing: 61.27%.

⁽²⁾ Fuel, Transport/Storage expense previously recorded in ECA expense account 547000. Proposal transfers expense from ECA to ECC.

⁽³⁾ Forecasted Over/(Under) recovery from S2.3 Line 3.

Colorado Springs Utilities
 Electric Capacity Charge (ECC)

SCHEDULE 2.3
 FORECASTED ELECTRIC CAPACITY COLLECTION BALANCE

| Line No. | Description (b) | Collection Balance (c) |
|-------------|-----------------------------------------------------------|------------------------------|
| 1 | Forecasted Over/(Under) Recovery as of 10/31/2017 | \$ (2,194,188) |
| 2 | Less: Forecasted Over/(Under) Recovery as of 7/31/2020 | 3,368 |
| 3 | Cumulative Over/(Under) Recovery (Line 1 - Line 2) | \$ 2,197,556 |

Note: Forecasted balances based on forecasted November 2017 to July 2020 expense as of October 2017 and ECC rates proposed effective November 2017.