

Council Meeting Date: July 24, 2018
To: President and Members of City Council
From: Eric Tharp, Acting Chief Executive Officer, Colorado Springs Utilities
Subject Title: A resolution setting the Electric Cost Adjustment effective August 1, 2018

Presenter:
Sonya Thieme, Rates Manager

Summary:
Colorado Springs Utilities (Utilities) is proposing a change to the Electric Cost Adjustment (ECA) rate effective August 1, 2018. The proposed ECA rate adjustment changes the current effective rate of \$0.0202 per kWh to a proposed rate of \$0.0201 per kWh.

Previous Council Action:
On April 24, 2018, City Council approved the current ECA rate of \$0.0202 per kWh effective May 1, 2018 by Resolution 33-18.

Background:
Utilities sought approval for the current effective ECA rate of \$0.0202 per kWh at the April 24, 2018 City Council meeting. Utilities' staff provides regular updates to the Utilities Board and recommends timely adjustments to the ECA rate per the Cost Adjustment Guidelines and in conformance with the ECA tariff.

Financial Implications:
Implementing the proposed rates will impact the respective customer's electric bill as follows:

Monthly Electric bill:

- Typical Residential electric bill decrease of \$0.07 or 0.1%
- Typical Commercial electric bill decrease of \$0.60 or 0.1%
- Typical industrial electric bill decrease of \$40.00 or 0.1%

Board/Commission Recommendation:
N/A

Stakeholder Process:
N/A

Alternatives:
N/A

Proposed Motion:
Move adoption of the proposed resolution

Summary of Ordinance Language

N/A

Attachments:

- Resolution
- Tariff sheets
- ECA Schedule 1

RESOLUTION NO. _____

**A RESOLUTION SETTING THE ELECTRIC COST ADJUSTMENT
EFFECTIVE AUGUST 1, 2018**

WHEREAS, the Colorado Springs Utilities' Electric Rate Schedules allow Electric Cost Adjustment rates to be changed as often as monthly; 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 \$0.0202 per kWh should be adjusted to \$0.0201 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 rates shall be effective August 1, 2018.

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. 6, Electric Rate Schedules shall be revised as follows:

Effective August 1, 2018

City Council Vol. No. 6 Sheet No.	Title	Cancels Sheet No.
First Revised Sheet No. 2.9	Rate Table	Original Sheet No. 2.9

Section 2. The Electric Cost Adjustment rates and the effective dates shall be posted on Colorado Springs Utilities' CSU.org website and 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 August 1, 2018 and shall remain in effect unless changed by subsequent Resolution of the City Council.

Dated at Colorado Springs, Colorado this 24th day of July, 2018.

Council President

ATTEST:

Sarah Johnson, City Clerk



ELECTRIC RATE SCHEDULES
RATE TABLE

Description	Rates	Reference
Electric Cost Adjustment (ECA)		Sheet No. 16
Standard ECA, per kWh (E1R), (E1C), (E2C), (ETLO), (ETLW), (ELG), (E2T), (E7SL)	\$0.0201	
Time-of-Day ECA (ETR)		
On-Peak, per kWh	\$0.0610	
Off-Peak, per kWh	\$0.0140	
Time-of-Day ECA (ETC), (ETX), (ETL), (E8T), (E8S), (ECD)		
On-Peak, per kWh	\$0.0398	
Off-Peak, per kWh	\$0.0146	
Electric Capacity Charge (ECC)		Sheet No. 17
Residential Service (E1R)	\$0.0047	
Residential Time-of-Day Option (ETR)	\$0.0059	
Commercial Service – Small (E1C)	\$0.0047	
Commercial Service – General (E2C)	\$0.0044	
Commercial Service – General Time-of-Day Option (ETC)	\$0.0028	
Industrial Service – Time-of-Day 1,000 kWh/Day Minimum (ETL)	\$0.0041	
Industrial Service – Time-of-Day 500 KW Minimum (E8T)	\$0.0034	
Industrial Service – Time-of-Day 4,000 KW Minimum (E8S)	\$0.0029	
Industrial Service – Large Power and Light (ELG)	\$0.0027	
Industrial Service – Time-of-Day Transmission Voltage (ETX)	\$0.0039	
Contract Service – Military (ECD)	\$0.0035	
Contract Service – Traffic Signals (E2T)	\$0.0024	
Contract Service – Street Lighting (E7SL)	\$0.0024	
Totalization Service		Sheet No. 18
For each meter totalized, per meter, per day	\$8.0000	

Approval Date: July 24, 2018
 Effective Date: August 1, 2018
 Resolution No. _____



ELECTRIC RATE SCHEDULES
RATE TABLE

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Electric Cost Adjustment (ECA)		Sheet No. 16
Standard ECA, per kWh (E1R), (E1C), (E2C), (ETLO), (ETLW), (ELG), (E2T), (E7SL)	\$0.0202 <u>\$0.0201</u>	
Time-of-Day ECA (ETR)		
On-Peak, per kWh	\$0.0611 <u>\$0.0610</u>	
Off-Peak, per kWh	\$0.0141 <u>\$0.0140</u>	
Time-of-Day ECA (ETC), (ETX), (ETL), (E8T), (E8S), (ECD)		
On-Peak, per kWh	\$0.0399 <u>\$0.0398</u>	
Off-Peak, per kWh	\$0.0147 <u>\$0.0146</u>	
Electric Capacity Charge (ECC)		Sheet No. 17
Residential Service (E1R)	\$0.0047	
Residential Time-of-Day Option (ETR)	\$0.0059	
Commercial Service – Small (E1C)	\$0.0047	
Commercial Service – General (E2C)	\$0.0044	
Commercial Service – General Time-of-Day Option (ETC)	\$0.0028	
Industrial Service – Time-of-Day 1,000 kWh/Day Minimum (ETL)	\$0.0041	
Industrial Service – Time-of-Day 500 KW Minimum (E8T)	\$0.0034	
Industrial Service – Time-of-Day 4,000 KW Minimum (E8S)	\$0.0029	
Industrial Service – Large Power and Light (ELG)	\$0.0027	
Industrial Service – Time-of-Day Transmission Voltage (ETX)	\$0.0039	
Contract Service – Military (ECD)	\$0.0035	
Contract Service – Traffic Signals (E2T)	\$0.0024	
Contract Service – Street Lighting (E7SL)	\$0.0024	
Totalization Service		Sheet No. 18
For each meter totalized, per meter, per day	\$8.0000	

Approval Date: ~~June 12, 2018~~ July 24, 2018
 Effective Date: ~~July 1, 2018~~ August 1, 2018
 Resolution No. ~~60-18~~

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

**SCHEDULE 1
ECA EFFECTIVE 8/1/2018**

Line No.	Description	Forecast Calculation Period Aug 18-Jul 19
<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
1	Forecasted Generation Fuel and Purchased Power Cost	\$ 93,657,861 ^{(1)(2a)}
2	<u>Plus:</u>	
3	Forecasted Over/(Under) Recovery as of 7/30/2019	(20,995)
4	Less Forecasted Over/(Under) Recovery as of 7/31/2018	903,399
5	Cumulative Over/(Under) Recovery (Line 3 - Line 4)	<u>\$ (924,394) ^(2b)</u>
6	Total Cost (Line 1+Line 5)	<u>\$ 92,733,467</u>
7	<u>Divided by:</u>	
8	Forecasted Sales Subject to the ECA (kWh)	<u>4,613,605,315 ^(2c)</u>
9	<u>Equals:</u>	
10	ECA Rate per kWh (Line 6 / Line 8)	<u>\$ 0.0201 ⁽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. 6, First Revised Sheet No. 2.9)

^{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