



Electric Cost Adjustment Alternatives Summary

March 23, 2021 City Council Meeting

Colorado Springs Utilities (Utilities) is proposing a change to the Electric Cost Adjustment (ECA) rate effective April 1, 2021. Utilities' filing is consistent with Alternative 2 and if approved, would change the current effective ECA rate of \$0.0195 per kWh to the proposed rate of \$0.0294 per kWh.

Information for Alternative 1 and 3 are attached as requested by City Council.

City Council can move adoption of the proposed resolution (Alternative 2) or move to amend with another rate alternative (Alternative 1 or Alternative 3).

Alternative 1

- Filing per Excellence in Governance Policy Manual, Electric and Gas Cost Adjustments (G-6) Guidelines
- Multiplier applied

Alternative 2

- Targets \$0 collection balance at 4/30/22
- 13-Month Recovery
- No multipliers applied

Alternative 3

- Targets \$0 collection balance at 1/31/23
- GCA 22-Month Recovery
- No multipliers applied

Summary

	Current Effective	Alternative 1		Alternative 2		Alternative 3	
	at 3/11/21	Filing per Guidelines		13-month Recovery		22-Month Recovery	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Proposed ECA Rate per kWh	\$ 0.0195	\$ 0.0361		\$ 0.0294		\$ 0.0266	
Sample Electric Monthly Bill:							
Residential	\$ 86.29	\$ 11.62	13.5%	\$ 6.93	8.0%	\$ 4.97	5.8%
Commercial	\$ 561.43	\$ 99.60	17.7%	\$ 59.40	10.6%	\$ 42.60	7.6%
Industrial	\$ 31,659.34	\$ 6,640.00	21.0%	\$ 3,960.00	12.5%	\$ 2,840.00	9.0%
Sample Total Monthly Bill:							
Residential	\$ 254.01	\$ 11.62	4.6%	\$ 6.93	2.7%	\$ 4.97	2.0%
Commercial	\$ 1,907.62	\$ 99.60	5.2%	\$ 59.40	3.1%	\$ 42.60	2.2%
Industrial	\$ 45,917.75	\$ 6,640.00	14.5%	\$ 3,960.00	8.6%	\$ 2,840.00	6.2%

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

Alternative 1
Information Only

**SCHEDULE 1
ECA EFFECTIVE 04/01/2021**

Line No.	Description	Forecast Calculation Period Apr 21 - Jul 21
(a)	(b)	(c)
1	Forecasted Generation Fuel and Purchased Power Cost	\$ 37,714,109 ^{(1)(2a)}
2	<u>Plus:</u>	
3	Forecasted Over/(Under) Recovery as of 07/31/21	\$ (12,319,834)
4	Less Forecasted Over/(Under) Recovery as of 03/31/21	(32,635,978)
5	Cumulative Over/(Under) Recovery (Line 3 - Line 4)	\$ 20,316,144 ^(2b)
6	Total Cost (Line 1+Line 5)	\$ 58,030,253
7	<u>Divided by:</u>	
8	Forecasted Sales Subject to the ECA (kWh)	1,607,486,219 ^(2c)
9	<u>Equals:</u>	
10	ECA Rate per kWh (Line 6 / Line 8)	\$ 0.0361 ⁽³⁾

Notes:

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

⁽²⁾ Tariff reference (Electric Rate Schedules, City Council Volume No. 6, Thirteenth 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

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

Alternative 3
Information Only

**SCHEDULE 1
ECA EFFECTIVE 04/01/2021**

Line No.	Description	Forecast Calculation Period Apr 21 - Jul 21
(a)	(b)	(c)
1	Forecasted Generation Fuel and Purchased Power Cost	\$ 37,714,109 ^{(1)(2a)}
2	<u>Plus:</u>	
3	Forecasted Over/(Under) Recovery as of 07/31/21	\$ (27,590,953)
4	Less Forecasted Over/(Under) Recovery as of 03/31/21	(32,635,978)
5	Cumulative Over/(Under) Recovery (Line 3 - Line 4)	\$ 5,045,025 ^(2b)
6	Total Cost (Line 1+Line 5)	\$ 42,759,134
7	<u>Divided by:</u>	
8	Forecasted Sales Subject to the ECA (kWh)	1,607,486,219 ^(2c)
9	<u>Equals:</u>	
10	ECA Rate per kWh (Line 6 / Line 8)	\$ 0.0266 ⁽³⁾

Notes:

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

⁽²⁾ Tariff reference (Electric Rate Schedules, City Council Volume No. 6, Thirteenth 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