

Council Meeting Date: April 24, 2018
To: President and Members of City Council
From: Jerry A. Forte, P.E., CEO, Colorado Springs Utilities
Subject Title: A resolution setting the Electric Cost Adjustment effective May 1, 2018

Presenter:
Sonya Thieme, Rates Manager

Summary:
Colorado Springs Utilities (Utilities) is proposing a change to the Electric Cost Adjustment (ECA) rate effective May 1, 2018. The proposed ECA adjustment changes the current effective rate of \$0.0220 per kWh to a proposed rate of \$0.0202 per kWh.

Previous Council Action:
On October 24, 2017, City Council approved the current ECA rate of \$0.0220 per kWh effective November 1, 2017 by Resolution 114-17.

Background:
Utilities sought approval for the current effective ECA rate of \$0.0220 per kWh at the October 24, 2017 City Council meeting. The ECA rate has remained at the approved level since November 1, 2017. Utilities' staff continues to provide regular updates to the Utilities Board and will recommend timely adjustments to the ECA rate per the Cost Adjustment Guidelines. ECA rate calculations are 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 \$1.26 or 1.4%
Typical Commercial electric bill decrease of \$10.80 or 1.9%
Typical industrial electric bill decrease of \$720.00 or 2.2%.

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
- Schedule 1



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	\$0.0202

Time-of-Day (TOD) ECA

Rate Schedule	Per On-Peak kWh	Per Off-Peak kWh
ETR	\$0.0611	\$0.0141
ETC, ETX, ETL, E8T, E8S, ECD	\$0.0399	\$0.0147

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: April 24, 2018
 Effective Date: May 1, 2018
 Resolution No. _____



ELECTRIC RATE SCHEDULES
ELECTRIC COST ADJUSTMENT - ECA

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ELECTRIC COST ADJUSTMENT

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Standard ECA

Rate Schedule	Per kWh
E1R, E1C, E2C, ETLO, ETLW, ELG, E2T, E7S	\$0.0220 <u>\$0.0202</u>

Time-of-Day (TOD) ECA

Rate Schedule	Per On-Peak kWh	Per Off-Peak kWh
ETR	\$0.0629 <u>\$0.0611</u>	\$0.0159 <u>\$0.0141</u>
ETC, ETX, ETL, E8T, E8S, ECD	\$0.0417 <u>\$0.0399</u>	\$0.0165 <u>\$0.0147</u>

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Approval Date: ~~October 24, 2017~~April 24, 2018
 Effective Date: ~~November 1, 2017~~May 1, 2018
 Resolution No. ~~114-17~~

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

**SCHEDULE 1
ECA EFFECTIVE 5/1/2018**

Line No.	Description	Forecast Calculation Period May 18-Apr 19
<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
1	Forecasted Generation Fuel and Purchased Power Cost	\$ 95,048,577 ^{(1)(2a)}
2	<u>Plus:</u>	
3	Forecasted Over/(Under) Recovery as of 4/30/2019	(114,418)
4	Less Forecasted Over/(Under) Recovery as of 4/30/2018	1,608,950
5	Cumulative Over/(Under) Recovery (Line 3 - Line 4)	<u>\$ (1,723,368) ^(2b)</u>
6	Total Cost (Line 1+Line 5)	<u>\$ 93,325,209</u>
7	<u>Divided by:</u>	
8	Forecasted Sales Subject to the ECA (kWh)	<u>4,620,059,856 ^(2c)</u>
9	<u>Equals:</u>	
10	ECA Rate per kWh (Line 6 / Line 8)	<u>\$ 0.0202 ⁽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, Twentieth 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