



Legislation Details (With Text)

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Title: A Resolution Setting the Electric Cost Adjustment Effective August 1, 2016

Presenter:
 Sonya Thieme, Pricing Manager
 Jerry Forte, P.E., Chief Executive Officer, Colorado Springs Utilities

Sponsors:

Indexes:

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Attachments: 1. 07-26-2016 CC Mtg-ECA Resolution, 2. ECA Schedule 1 (07-26-2016) Board Direction, 3. ECA Tariff Sheet 31 - Final Alt 2, 4. ECA Tariff Sheet 31 - Redlined Alt 2, 5. Signed Resolution 76-16.pdf

Date	Ver.	Action By	Action	Result
7/26/2016	1	City Council	adopted	Pass

A Resolution Setting the Electric Cost Adjustment Effective August 1, 2016

Presenter:

Sonya Thieme, Pricing Manager
 Jerry Forte, P.E., Chief Executive Officer, Colorado Springs Utilities

Summary:

Colorado Springs Utilities (Utilities) is requesting a change to the Electric Cost Adjustment (ECA) rate. Current cost projections reflect increased forecasted fuel and purchased power expenses. Consistent with the Cost Adjustment Guidelines, Utilities proposes an ECA rate adjustment from the current effective rate of \$0.0169 per kWh to a proposed rate of \$0.0220 per kWh effective August 1, 2016.

Previous Council Action:

On January 26, 2016, by Resolution No. 10-16, City Council resolved to set the ECA at the rate of \$0.0169 per kWh effective February 1, 2016.

Background:

Utilities sought approval for the current effective ECA rate of \$0.0169 per kWh at the January 26, 2016 City Council meeting. The ECA rate has remained at the approved level since February 1, 2016. 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 ECA rate will impact the respective customer's electric bill as follows:

Monthly Electric bill:

Typical residential bill at 600 kWh = \$3.06 or 4.3%
Typical commercial bill at 6,000 kWh = \$30.60 or 6.5%
Typical industrial bill at 400,000 kWh = \$2,040 or 6.9%

Although the Wind Power Tariff rate of \$4.90 per block does not change with this ECA adjustment, the incremental rate will be impacted (if the ECA rate increases, the incremental cost of wind power will decrease; if the ECA rate decreases, the incremental cost of wind power will increase.)

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

Keep the current ECA rate and under collect electric fuel and purchased power costs.

Proposed Motion:

Move adoption of the proposed resolution.

N/A