



Legislation Details (With Text)

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

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Attachments: 1. ECA Resolution 12-08-2015, 2. ECA Schedule 1 01-01-2016, 3. ECA Sheet 31 - Final, 4. Sheet 31 - Red Line, 5. 15-34 Electric and Gas Cost Adjustments Audit Report, 6. Signed Resolution_142-15

Date	Ver.	Action By	Action	Result
12/8/2015	1	City Council	adopted	Pass

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

From:
Jerry Forte, P.E., CEO, Colorado Springs Utilities

Summary:
Colorado Springs Utilities (Utilities) is requesting a change to the Electric Cost Adjustment (ECA) rate. Current cost projections have decreased forecasted fuel and purchased power expenses. To maintain financial stability and minimize the fluctuations associated with less frequent adjustments during periods of price volatility, Colorado Springs Utilities recommends an ECA rate change from the rate of \$0.0249 per kWh to a proposed rate of \$0.0229 per kWh effective January 1, 2016.

Previous Council Action:
On December 8, 2015, City Council resolved to set the ECA at the rate of \$0.0249 per kWh effective January 1, 2016.

Background:
Colorado Springs Utilities sought approval for the current ECA rate of \$(0.0005) per kWh at the March 24, 2015 City Council meeting. The ECA rate has remained at the approved level since April 1, 2015. As a component of a fuel and non-fuel rate proceeding filled with City Council on September 22, 2015, Utilities proposed changes to the ECA that restructured and lowered the ECA rate to \$0.0249 per kWh effective January 1, 2016. The Rate Hearing on the proposed changes was held on November 22, 2015 with City Council Decision and Orders occurring on December 8, 2015. Colorado Springs Utilities staff continues to provide regular updates to the Utilities Board on the collected balance, and will recommend timely changes to the ECA rate as is deemed appropriate.

Colorado Springs Utilities has performed the ECA calculation in conformance with the language in

the ECA tariff.

Financial Implications:

Implementing the proposed ECA rate will impact the respective customer's bill as follows:

Monthly Electric bill:

Typical residential bill at 600 kWh = (\$1.20) or (1.6%)

Typical commercial bill at 6,000 kWh = (\$12.00) or (2.3%)

Typical industrial bill at 400,000 kWh = (\$800.00) or (2.4%)

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 over collect electric fuel and purchased power costs.

Proposed Motion:

Move adoption of the proposed Resolution

N/A