



## Legislation Text

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**File #:** 16-00045, **Version:** 1

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

**Presenter:**

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 reflect decreased forecasted fuel and purchased power expenses. Consistent with the Cost Adjustment Guidelines, Utilities proposes an ECA rate adjustment from the current effective rate of \$0.0229 per kWh to a proposed rate of \$0.0169 per kWh effective February 1, 2016.

**Previous Council Action:**

On December 8, 2015, by Resolution No. 142-15, City Council resolved to set the ECA at the rate of \$0.0229 per kWh effective January 1, 2016.

**Background:**

Utilities sought approval for the current effective ECA rate of \$0.0229 per kWh at the December 8, 2015 City Council meeting. The ECA rate has remained at the approved level since January 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 = (\$3.60) or (4.8%)

Typical commercial bill at 6,000 kWh = (\$36.00) or (7.1%)

Typical industrial bill at 400,000 kWh = (\$2,400.00) or (7.5%)

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