



## Legislation Text

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**File #:** 16-571, **Version:** 2

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### **A Resolution Setting the Electric Cost Adjustment Effective November 1, 2016**

#### **Presenter:**

Sonya Thieme, Rates Manager  
Jerry A. Forte, P.E., CEO, Colorado Springs Utilities

#### **Summary:**

Colorado Springs Utilities (Utilities) is requesting a change to the Electric Cost Adjustment (ECA) rate effective November 1, 2016. Consistent with the Cost Adjustment Guidelines, ECA Alternative 1 proposes a rate adjustment from the current effective rate of \$0.0220 per kWh to a proposed rate of \$0.0273 per kWh effective November 1, 2016.

#### **Previous Council Action:**

On July 26, 2016, City Council approved the current ECA rate of \$0.0220 per kWh effective August 1, 2016 by Resolution 76-16.

#### **Background:**

Utilities sought approval for the current effective ECA rate of \$0.0220 per kWh at the July 26, 2016 City Council meeting. The ECA rate has remained at the approved level since August 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 Alternative 1 ECA rate will impact the respective customer's electric bill as follows:

##### Monthly Electric bill:

- Typical Residential electric bill increase of \$3.18 or 4.2%
- Typical Commercial electric bill increase of \$31.80 or 6.3%
- Typical industrial electric bill increase of \$2,120.00 or 6.8%

#### **Board/Commission Recommendation:**

N/A

#### **Stakeholder Process:**

N/A

#### **Alternatives:**

ECA Alternative 2 is not in compliance with the Cost Adjustment Guidelines, proposes a rate

adjustment from the current effective rate of \$0.0220 per kWh to a proposed rate of \$0.0260 per kWh effective November 1, 2016 and continues to under collect fuel and purchased power costs. Additional information related to ECA Alternative 2 is attached.

**Proposed Motion:**

Move adoption of the proposed resolution.

N/A