



Legislation Text

File #: 17-1156, **Version:** 2

A Resolution setting the Electric Cost Adjustment effective August 1, 2017

Presenter:

Sonya Thieme, CSU Rates Manager

Summary:

Colorado Springs Utilities (Utilities) is requesting a change to the Electric Cost Adjustment (ECA) rate effective August 1, 2017. Consistent with the Cost Adjustment Guidelines, ECA Alternative 1 proposes a rate adjustment from the current effective rate of \$0.0195 per kWh to a proposed rate of \$0.0267 per kWh effective August 1, 2017.

Previous Council Action:

On April 25, 2017, City Council approved the current ECA rate of \$0.0195 per kWh effective May 1, 2017 by Resolution 52-17.

Background:

Utilities sought approval for the current effective ECA rate of \$0.0195 per kWh at the April 25, 2017 City Council meeting. The ECA rate has remained at the approved level since May 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. Alternative 1 ECA rate is calculated 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 \$4.32 or 5.9%

Typical Commercial electric bill increase of \$43.20 or 8.4%

Typical industrial electric bill increase of \$2,880.00 or 9.4%

Board/Commission Recommendation:

Enter board or commission recommendation. Enter N/A if not applicable.

Stakeholder Process:

Enter stakeholder process. Enter N/A if not applicable.

Alternatives:

ECA Alternative 2 is not in compliance with the Cost Adjustment Guidelines, proposes a rate adjustment from the current effective rate of \$0.0195 per kWh to a proposed rate of \$0.0231 per kWh

effective August 1, 2017 and continues to under collect projected fuel and purchased power costs. Additional information related to ECA Alternative 2 is attached.

ECA Alternative 3 is not in compliance with the Cost Adjustment Guidelines, proposes a rate adjustment from the current effective rate of \$0.0195 per kWh to a proposed rate of \$0.0243 per kWh effective August 1, 2017 and continues to under collect projected fuel and purchased power costs. Additional information related to ECA Alternative 3 is attached.

Proposed Motion:

Move adoption of the proposed resolution.

N/A