

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF CITIPOWER, LLC)	2014-00182

ORDER

On April 3, 2009, the Commission issued its Order in Case No. 2008-00392¹ approving certain adjustments to the rates of Citipower, LLC (“Citipower”) and providing under certain conditions for the further adjustment of such rates in accordance with the provisions of Citipower's Purchased Gas Cost Adjustment Clause.

On June 2, 2014, Citipower filed its Gas Cost Recovery rate (“GCR”) application with a proposed effective date of July 1, 2014.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Citipower’s notice proposes revised rates designed to pass on to its customers its expected change in gas costs.
2. Citipower’s proposed Expected Gas Cost (“EGC”) is \$5.6241 per Mcf, which is a decrease of \$.3129 per Mcf from the prior EGC of \$5.9370 per Mcf. Its average 12-month EGC is based in part on the expectation that it will need to buy gas at a higher-than-normal price from Citizens Gas Utility District (“Citizens Gas”) during periods of high usage in cold weather. Citizens Gas’s volumes are priced using current

¹ Case No. 2008-00392, Application of Citipower, LLC. for Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076 (Ky. PSC Apr. 3, 2009).

price projections as of May 2014. The EGC is otherwise based on Citipower's expected cost of gas from its primary supplier, Citigas, LLC, ("Citigas") [an affiliate pursuant to 278.010(18)], using the New York Mercantile Exchange ("NYMEX") Natural Gas 12-Month strip rate for May 2014.

3. Citipower's notice sets out no Refund Adjustment.

4. Citipower's notice sets out a current quarter Actual Cost Adjustment ("ACA") of \$.4030 per Mcf. Citipower's total ACA is \$.3943 per Mcf, which is an increase of \$.4064 per Mcf from the previous total ACA of (\$.0121) per Mcf.

5. Citipower's notice sets out a current quarter Balance Adjustment ("BA") of \$.0200 per Mcf. Citipower calculated its BA to reconcile only the expired (\$.0385) per Mcf BA factor from Case No. 2013-00105² and did not include the expired AA factor of (\$.0036) per Mcf from that same case. Correcting this produces a current quarter BA of \$.0218 per Mcf. Citipower's corrected total BA is \$.0421 per Mcf, which is an increase of \$.0372 per Mcf from its previous total BA of \$.0049 per Mcf.

6. Citipower's corrected GCR is \$6.0605 per Mcf, which is an increase of \$.1307 per Mcf from the previous GCR of \$5.9298 per Mcf.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for service rendered by Citipower on and after July 2, 2014. Citipower did not give the 30 days' notice required for rates effective July 1, 2014.

IT IS THEREFORE ORDERED that:

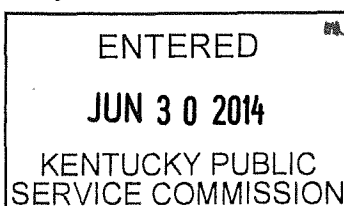
1. The rates proposed by Citipower are denied.

² Case No. 2013-00105, Purchased Gas Adjustment Filing of Citipower, LLC (Ky. PSC Apr. 12, 2013).

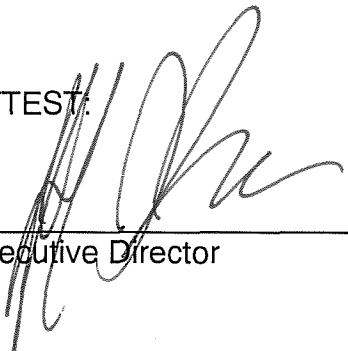
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for service rendered on and after July 2, 2014.

3. Within 20 days of the date of this Order, Citipower shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00182 DATED **JUN 30 2014**

The following rates and charges are prescribed for the customers served by Citipower, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RESIDENTIAL AND COMMERCIAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Volumetric Rate	\$7.6492	\$6.0605	\$13.7097

The volumetric rate will apply to all Mcfs sold, subject to a minimum bill of \$5.00. In those cases where the usage applied to the volumetric rate results in an amount less than \$5.00, the customer will be charged the \$5.00 minimum.

INDUSTRIAL AND INSTITUTIONAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Volumetric Rate	\$6.6492	\$6.0605	\$12.7097

The volumetric rate will apply to all Mcfs sold, subject to a minimum bill of \$5.00. In those cases where the usage applied to the volumetric rate results in an amount less than \$5.00, the customer will be charged the \$5.00 minimum.

Dan Forsberg
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