

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT) CASE NO.
FILING OF CITIPOWER, LLC) 2018-00174

ORDER

On November 14, 2017, the Commission issued its Order in Case No. 2017-00160¹ approving certain adjustments to the rates of Citipower, LLC (“Citipower”) and providing certain conditions for the further adjustment of such rates in accordance with the provisions of Citipower’s Purchased Gas Cost Adjustment Clause.

On June 1, 2018, Citipower filed its Gas Cost Recovery (“GCR”) rate application to be effective July 1, 2018.

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

1. Citipower’s application proposes revised rates designed to pass on to its customers its expected change in gas costs.
2. Citipower’s application sets out an Expected Gas Cost (“EGC”) of \$4.1711 per Mcf, which is an increase of \$.4626 per Mcf from the previous EGC of \$3.7085 per Mcf. Citipower’s 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

¹ Case No. 2017-00160, *Application of Citipower, LLC for a Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076* (Ky. PSC Nov. 14, 2017).

using current price projections as of May 2018. The EGC is otherwise based on Citipower's expected cost of gas from its primary supplier, Citigas, LLC, ("Citigas"), a Citipower affiliate pursuant to 278.010(18), using the New York Mercantile Exchange ("NYMEX") Natural Gas 12-Month strip rate for June 2018.

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

4. Citipower's application sets out a current quarter Actual Cost Adjustment ("ACA") of \$.4692 per Mcf. Citipower's total ACA is \$.5408 per Mcf, which is an increase of \$.5112 per Mcf from its previous total ACA of \$.0296 per Mcf.

5. Citipower's application sets out a current quarter Balance Adjustment ("BA") of (\$.0001) per Mcf. Citipower did not include the reconciliation of the expired (\$.0074) per Mcf ACA previously approved in Case No. 2017-00101² in the calculation of its current quarter BA. Citipower's corrected current quarter BA is \$.0002 per Mcf. Citipower's corrected total BA is \$.0116 per Mcf, which is an increase of \$.0324 per Mcf from its previous total BA of (\$.0208) per Mcf.

6. Citipower's corrected GCR rate is \$4.7235 per Mcf, which is an increase of \$1.0062 per Mcf from the previous GCR rate of \$3.7173 per Mcf.

7. To aid in the Commission's review of Citipower's applications, Citipower should continue to submit all invoices it receives from Citigas and Citizens Gas when it files its GCR rate applications.

8. The rates set forth in the Appendix to this Order are fair, just, and reasonable, and should be approved for service rendered by Citipower on and after July 1, 2018.

² Case No. 2017-00101, *Purchased Gas Adjustment Filing of Citipower, LLC* (Ky. PSC Mar. 21, 2017).

IT IS THEREFORE ORDERED that:

1. The rates proposed by Citipower are denied.
2. The rates set forth in the Appendix to this Order are approved for service rendered by Citipower on and after July 1, 2018.
3. Citipower shall submit all invoices received from Citigas and Citizens Gas as part of all future GCR filings.
4. Within 20 days of the date of entry 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.

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By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2018-00174 DATED **JUN 19 2018**

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

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$8.0000		
All Mcf	\$7.8500	\$4.7235	\$12.5735

COMMERCIAL AND INDUSTRIAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$15.0000		
All Mcf	\$ 7.9000	\$4.7235	\$12.6235

INSTITUTIONAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$20.0000		
All Mcf	\$ 8.4200	\$4.7235	\$13.1435

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