

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT ) CASE NO.  
FILING OF CITIPOWER, LLC ) 2018-00303

ORDER

On September 4, 2018, Citipower, LLC (Citipower), filed its Gas Cost Recovery (GCR) rate application to be effective October 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 \$4.0719 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 using current price projections as of August 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 September 2018.
3. Citipower's application sets out no Refund Adjustment.
4. Citipower's application sets out a current quarter Actual Cost Adjustment (ACA) of \$1.7985 per Mcf. Citipower did not use the correct Total Cost of Volumes

Purchased for the months of April, May, and June 2018, as shown on the invoices attached to its application. Citipower's corrected current quarter ACA is (\$.0366) per Mcf. Citipower's corrected total ACA is \$.5624 per Mcf.

5. Citipower's application sets out a current quarter Balance Adjustment (BA) of \$.0053 per Mcf. Citipower did not include the reconciliation of the expired (\$.0420) per Mcf ACA previously approved in Case No. 2017-00226<sup>1</sup> in the calculation of its current quarter BA. Citipower's corrected current quarter BA is \$.0122 per Mcf. Citipower's corrected total BA is (\$.0159) per Mcf.

6. Citipower's corrected GCR rate is \$4.6184 per Mcf, which is a decrease of \$.1051 per Mcf from the previous GCR rate of \$4.7235 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 October 1, 2018. Although Citipower's GCR rate application did not provide 30 days' notice to the Commission as required by its tariff, KRS 278.180(2) authorizes the Commission to make a reduction in rates effective in less than 30 days.

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<sup>1</sup> Case No. 2017-00226, *Purchased Gas Adjustment Filing of Citipower, LLC* (Ky. PSC June 12, 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 October 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.
5. Any documents filed in the future pursuant to ordering paragraph 3 shall reference this case number and shall be retained in the post-case correspondence file.
6. This case is hereby closed and will be removed from the Commission's docket.

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By the Commission

ENTERED  
SEP 20 2018  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2018-00303 DATED **SEP 20 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 the 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>
All Mcf	\$7.8500	\$4.6184	\$12.4684

COMMERCIAL AND INDUSTRIAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$ 7.9000	\$4.6184	\$12.5184

INSTITUTIONAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$ 8.4200	\$4.6184	\$13.0384

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