

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT	)	CASE NO.
FILING OF CITIPOWER, L.L.C.	)	2018-00397

ORDER

On November 30, 2018, Citipower, LLC (Citipower), filed its Gas Cost Recovery (GCR) rate application to be effective January 1, 2019.

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 \$4.6650 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 November 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 December 2018.
3. Citipower's application sets out no Refund Adjustment.
4. Citipower's application sets out a current quarter Actual Cost Adjustment (ACA) of (\$.0532) per Mcf and a total ACA of \$.5240 per Mcf.

5. Citipower's application sets out a current quarter Balance Adjustment (BA) of (\$.0039) per Mcf. Citipower did not include the reconciliation of the expired (\$.0582) per Mcf ACA previously approved in Case No. 2017-00362<sup>1</sup> in the calculation of its current quarter BA. Citipower's corrected current quarter BA is \$.0219 per Mcf. Citipower's corrected total BA is \$.0327 per Mcf.

6. Citipower's corrected GCR rate is \$5.2217 per Mcf, which is an increase of \$.6033 per Mcf from the previous GCR rate of \$4.6184 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 January 1, 2019.

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 January 1, 2019.
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

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<sup>1</sup> Case No. 2017-00362, *Purchased Gas Adjustment Filing of Citipower, LLC* (Ky. PSC Sept 14, 2017).

setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

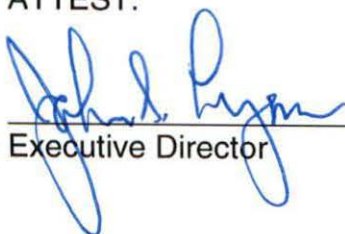
5. This case is hereby closed and will be removed from the Commission's docket.

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By the Commission

ENTERED  
DEC 18 2018  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

For   
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2018-00397 DATED **DEC 18 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	\$5.2217	\$13.0717

COMMERCIAL AND INDUSTRIAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$ 7.9000	\$5.2217	\$13.1217

INSTITUTIONAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$ 8.4200	\$5.2217	\$13.6417

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