

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF CITIPOWER, LLC)	2016-00190

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 May 31, 2016, Citipower filed its Gas Cost Recovery ("GCR") rate application to be effective July 1, 2016.

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 notice sets out an Expected Gas Cost ("EGC") of \$3.6326 per Mcf, which is an increase of \$.2463 per Mcf from the prior EGC of \$3.3863 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. 2008-00392, *Application of Citipower, LLC for Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076* (Ky. PSC Apr. 3, 2009).

using current price projections as of May 2016. 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 Natural Gas 12-Month strip rate for July 2016.

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

4. Citipower's notice sets out a current quarter Actual Cost Adjustment ("ACA") of \$.2077 per Mcf. Citipower's total ACA is (\$.0070) per Mcf, which is a decrease of \$.1813 per Mcf from its previous total ACA of \$.1743 per Mcf.

5. Citipower's notice sets out a current quarter Balance Adjustment ("BA") of \$.1371 per Mcf. Citipower calculated its BA to reconcile only the expired (\$.1400) per Mcf BA factor from Case No. 2015-00073,¹ and did not include the expired ACA factor of (\$.0597) per Mcf from that same case. Citipower's corrected current quarter BA is (\$.0329) per Mcf. Citipower's corrected total BA is \$.1264 per Mcf, which is a decrease of \$.0242 per Mcf from its previous total BA of \$.1506 per Mcf.

6. Citipower's corrected GCR rate is \$3.7520 per Mcf, which is an increase of \$.0408 per Mcf from the previous GCR rate of \$3.7112 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.

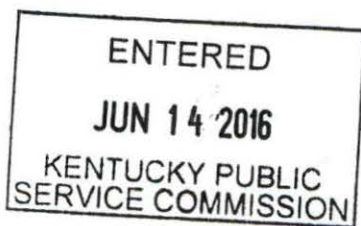
8. The rates set forth in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered by Citipower on and after July 1, 2016.

¹ Case No. 2015-00073, *Purchased Gas Adjustment Filing of Citipower, LLC*. (Ky. PSC Mar. 30, 2015).

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, 2016.
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 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:

A handwritten signature in blue ink, appearing to read "Aaron D. Greenwell".

Acting Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00190 DATED **JUN 14 2016**

The following rates and charges are prescribed for the customers in the area 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	\$3.7520	\$11.4012

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	\$3.7520	\$10.4012

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.

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