COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)CASE NO.FILING OF CITIPOWER, LLC)2018-00087

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 under certain conditions for the further adjustment of such rates in accordance with the provisions of Citipower's Purchased Gas Cost Adjustment Clause.

On March 1, 2018, Citipower filed its Gas Cost Recovery ("GCR") rate application to be effective April 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 \$3.7085 per Mcf, which is a decrease of \$.1305 per Mcf from the previous EGC of \$3.8390 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

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).

Gas") during periods of high usage in cold weather. Citizens Gas's volumes are priced using current price projections as of February 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 February 2018.

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

4. Citipower's application sets out a current quarter Actual Cost Adjustment ("ACA") of \$.1446 per Mcf. Citipower's total ACA is \$.0296 per Mcf, which is an increase of \$.1826 per Mcf from its previous total ACA of (\$.1530) per Mcf.

5. Citipower's application sets out a current quarter Balance Adjustment ("BA") of \$.0030 per Mcf. Citipower did not include the reconciliation of the expired (\$.0266) per Mcf ACA previously approved in Case No. 2016-00416² in the calculation of its current quarter BA. Citipower's corrected current quarter BA is (\$.0016) per Mcf. Citipower did not use the correct Third Previous Quarter Reported Balance Adjustment in the calculation of its total BA. Citipower's corrected total BA is (\$.0208) per Mcf, which is an increase of \$.0058 per Mcf from its previous total BA of (\$.0266) per Mcf.

6. Citipower's corrected GCR rate is \$3.7173 per Mcf, which is an increase of\$.0579 per Mcf from the previous GCR rate of \$3.6594 per Mcf.

² Case No. 2016-00416, *Purchased Gas Adjustment Filing of Citipower, LLC* (Ky. PSC Dec. 15, 2016).

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 April 1, 2018.

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 April 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.

Case No. 2018-00087

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By the Commission

ENTERED			
MAR 1 4 2018			
KENTUCKY PUBLIC SERVICE COMMISSION			

ATTEST:

Twen R. Renson **Executive Director**

Case No. 2018-00087

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2018-00087 DATED MAR 1 4 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.

Gas Cost

RESIDENTIAL

	Dees Deta	Recovery	Takal		
Customer Charge	<u>Base Rate</u> \$8.0000	<u>Rate</u>	<u>Total</u>		
All Mcf	\$7.8500	\$3.7173	\$11.5673		
COMMERCIAL AND INDUSTRIAL					
		Gas Cost			
	Base Rate	Recovery Rate	Total		
Customer Charge	\$15.0000				
All Mcf	\$ 7.9000	\$3.7173	\$11.6173		
INSTITUTIONAL					
		Gas Cost			
	Data Data	Recovery	Tatal		
Customer Charge All Mcf	<u>Base Rate</u> \$20.0000 \$ 8.4200	<u>Rate</u>	Total		
		\$3.7173	\$12.1373		
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*CitiPower, L.L.C. 37 Court Street P. O. Box 1309 Whitley City, KY 42653

*Adam Forsberg Controller Citipower L.L.C. 2122 Enterprise Road Greensboro, NORTH CAROLINA 27408