

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF CITIPOWER, LLC)	2019-00181

ORDER

On June 3, 2019, Citipower, LLC (Citipower), filed its Gas Cost Recovery (GCR) rate report to be effective July 1, 2019.

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

1. Citipower's report proposes revised rates designed to pass on to its customers its expected change in gas costs.
2. Citipower's report sets out an Expected Gas Cost (EGC) of \$5.0962 per Mcf. Due to a spreadsheet rounding error, Citipower erroneously set out an incorrect EGC rate. Citipower's corrected EGC rate is \$5.0961 per Mcf, which is a decrease of \$.5755 per Mcf from the prior EGC of \$5.6716 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) during periods of high usage in cold weather. Citizens' volumes are priced using current price projections as of May 2019. 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 2019.

3. Citipower's report sets out no Refund Adjustment.
4. Citipower's report sets out a current quarter Actual Cost Adjustment (ACA) of \$.2277 per Mcf. Citipower's total ACA is \$.0380 per Mcf, which is a decrease of \$.2415 per Mcf from its previous total ACA of \$.2795 per Mcf.
5. Citipower's report sets out a current quarter Balance Adjustment (BA) of \$.0504 per Mcf. Citipower did not include the reconciliation of the expired \$.1446 per Mcf ACA previously approved in Case No. 2018-00087¹ in the calculation of its current quarter BA. Citipower's corrected current quarter BA is (\$.0281) per Mcf. Correcting this produces a total BA of \$.0161 per Mcf, which is a decrease of \$.0283 per Mcf from its previous total BA of \$.0444 per Mcf.
6. Citipower's corrected GCR rate is \$5.1502 per Mcf, which is a decrease of \$.8453 per Mcf from the previous GCR rate of \$5.9955 per Mcf.
7. To aid in the Commission's review of Citipower's reports, Citipower should continue to submit all invoices it receives from Citigas and Citizens when it files its GCR rate reports.
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, 2019. Although Citipower's GCR rate report 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.

¹ Case No. 2018-00087, *Purchased Gas Adjustment Filing of Citipower, LLC* (Ky. PSC Mar. 14, 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 July 1, 2019.
3. Citipower shall submit all invoices received from Citigas and Citizens 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. This case is hereby closed and removed from the Commission's docket.

By the Commission

ENTERED
JUN 18 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2019-00181

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00181 DATED JUN 18 2019

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	\$5.1502	\$13.0002

COMMERCIAL AND INDUSTRIAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$ 7.9000	\$5.1502	\$13.0502

INSTITUTIONAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$ 8.4200	\$5.1502	\$13.5702

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