

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|------------------------------------|---|------------|
| PURCHASED GAS ADJUSTMENT FILING OF |) | CASE NO. |
| CITIPOWER, L.L.C. |) | 2019-00292 |

ORDER

On August 22, 2019, Citipower, LLC (Citipower), filed its Gas Cost Recovery (GCR) rate report to be effective October 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 \$4.4472 per Mcf, which is a decrease of \$.6489 per Mcf from the prior EGC of \$5.0961 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 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 September 2019.
3. Citipower's report sets out no Refund Adjustment.

4. Citipower's report sets out a current quarter Actual Cost Adjustment (ACA) of (\$.1220) per Mcf. Citipower's total ACA is (\$.0474) per Mcf, which is a decrease of \$.0854 per Mcf from its previous total ACA of \$.0380 per Mcf.

5. Citipower's report sets out a current quarter Balance Adjustment (BA) of (\$.0102) per Mcf. In calculating its total BA, Citipower erroneously included an incorrect amount of \$.0161 per Mcf for the Previous Quarter BA. The correct Previous Quarter BA is (\$.0281) per Mcf as approved in Case No. 2019-00181¹. Correcting this produces a total BA of (\$.0063) per Mcf, which is a decrease of \$.0224 per Mcf from its previous total BA of \$.0161 per Mcf.

6. Citipower's corrected GCR rate is \$4.3935 per Mcf, which is a decrease of \$.7567 per Mcf from the previous GCR rate of \$5.1502 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 Gas 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 October 1, 2019.

9. Should Citipower purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports then the supplier, cost, and amount must be documented in its cover letter to the Commission.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Citipower are denied.

¹ Case No. 2019-00181, *Purchased Gas Adjustment Filing of Citipower, LLC* (Ky. PSC June 18, 2019)

2. The rates set forth in the Appendix to this Order are approved for service rendered by Citipower on and after October 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 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.

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By the Commission

ENTERED
SEP 30 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00292 DATED **SEP 30 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 | \$4.3935 | \$12.2435 |

COMMERCIAL AND INDUSTRIAL

| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Total</u> |
|---------|------------------|---------------------------------------|--------------|
| All Mcf | \$7.9000 | \$4.3935 | \$12.2935 |

INSTITUTIONAL

| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Total</u> |
|---------|------------------|---------------------------------------|--------------|
| All Mcf | \$8.4200 | \$4.3935 | \$12.8135 |

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