

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF CITIPOWER, LLC)	2021-00332

**CITIPOWER, LLC'S RESPONSE TO COMMISSION STAFF'S REQUEST FOR
INFORMATION ISSUED SEPTEMBER 8, 2021**

Filed: September 16, 2021

Citipower, LLC
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1. Refer to the Gas Cost Recovery (GCR) rate report, Schedule 1, GCR Rate Summary, Actual Cost Adjustment (ACA) Calculation, Previous Quarter Reported ACA rate of (\$0.0001) per Mcf. Confirm that this was the Quarter ACA approved by the Commission in Case No. 2021-00219.

Response:

After reviewing the Order in Case No. 2021-00219, it was discovered that the actual Quarter ACA that was approved in that case was \$0.0828 per Mcf. An error was made in drafting the Application in this proceeding when (\$0.001) per Mcf was used.

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2. Refer to the GCR rate report, Quarterly Report of Gas Cost for Schedule 2 – Expected Gas Cost. Provide justification for the Citigas \$1.1022 per Mcf rate.

Response:

Citigas' marketing fee has been in place, and the same methodology has been used for many years. Citigas manages the acquisition and delivery of Citipower's gas supply, on demand. The fee is formula-based as follows: Cost of Gas per Mcf x 20%; it is equivalent to the quality (1,200 BTU) of the gas delivered to Citipower. The fee amount changes each quarter as the cost of gas changes.

As an example, if NYMEX is \$4.00, the total cost of gas to Citigas is \$5.50 per Mcf (inclusive of Greystone's fee). Citigas' marketing fee is 20% of \$5.50, which is \$1.10, for a total \$6.60 per Mcf billed to Citipower.

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3. Refer to the GCR rate report, the April, May, and June 2021 Invoices from Citigas, LLC (Citigas).
 - a. Explain in detail what is included in the "Invoiced from Greystone, LLC (Greystone)" Marketing fee of \$.932 per Mcf.
 - b. Explain how the "Invoiced from Greystone" Marketing fee is determined and what causes that fee to change each quarter.

Response:

- a. For clarification, the marketing fee of \$0.932 is Citigas' charges for those months, not Greystone's. See #2 for more detail on the marketing fee.
- b. NYMEX for that quarter was \$3.161, for a total cost of gas to Citigas of \$4.661 per Mcf (inclusive of Greystone's fee); Citigas' marketing fee was $\$4.661 \times 20\%$, or \$0.0932 per Mcf.

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4. Explain the current relationship between Citipower, Greystone, and Citigas in detail.

Response:

Greystone is the third party gas supplier (no affiliation to Citigas, Citipower or their owners), Citigas is the gas marketing entity and Citipower is the gas purchaser.

Greystone sells gas to Citigas who then delivers and sells it to Citipower.

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5. For each customer class provide the sales amount for each month between the period of July 2020 through July 2021.

Response:

Mcf Sold by Customer Class

	Commercial	Industrial	Institutional	Residential
Jul-20	322.8	476.1	1,525.1	100.8
Aug-20	302.1	515.5	1,415.9	87.2
Sep-20	301.2	547.3	1,395.7	108.1
Oct-20	363.4	418.6	2,135.0	377.9
Nov-20	408.2	696.7	3,125.7	907.3
Dec-20	1,002.0	2,144.8	7,390.0	2,694.4
Jan-21	1,021.4	2,212.7	6,608.3	2,450.6
Feb-21	1,269.4	2,602.0	7,492.0	2,950.8
Mar-21	683.5	2,196.0	4,728.4	1,409.9
Apr-21	474.5	599.4	3,498.7	884.1
May-21	339.8	258.4	2,327.3	376.6
Jun-21	360.3	155.7	2,033.7	171.5

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6. Explain how Citipower determines its monthly sales amounts as reported in its quarterly GCR rate reports.

Response:

This is determined by reviewing customer meter readings and calculating the total volume sold to Citipower's customers each month.

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7. Explain why the monthly sales are the same as the monthly purchases in Citipower's GCR rate report.

Response:

Currently, there is an arrangement with Greystone to only purchase gas volumes that are used by Citipower customers. Citipower reports to Citigas the amount of volumes sold to its customers (as determined by customer meters); Citigas relays that information to Greystone. We believe this arrangement is beneficial to Citipower's customers as they do not pay for lost or unaccounted for gas volumes.