

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT )      CASE NO.  
FILING OF CITIPOWER, LLC )      2022-00045

ORDER

On February 21, 2022, Citipower, LLC (Citipower) filed its Gas Cost Recovery (GCR) rate report, for rates effective as of April 1, 2022. Citipower's previous GCR rate was approved in Case No. 2021-00442.<sup>1</sup>

The Commission's standard of review for GCR rates is well settled as stated in KRS 278.274(1):

In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates, or the rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.<sup>2</sup>

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

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<sup>1</sup> Case 2021-00442, *Electronic Purchased Gas Adjustment Filing of Citipower, LLC* (Ky. PSC Dec. 16, 2021).

<sup>2</sup> KRS 278.274(2); KRS 278.274(3)(c), and KRS 278.274(3)(d).

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 \$7.9656 per Mcf, which is a decrease of \$0.0684 per Mcf from its previous EGC of \$8.0340 per Mcf. The EGC is based on Citipower's expected cost of gas from its primary supplier, Citigas, LLC (Citigas), a Citipower affiliate pursuant to KRS 278.010(18),<sup>3</sup> using the New York Mercantile Exchange (NYMEX) Natural Gas Twelve-Month strip rate for April 2022, a \$1.5000 per Mcf fee for transportation, and a 20 percent markup marketing fee.

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

4. Citipower's report sets out a current quart Actual Cost Adjustment (ACA) of \$0.0112 per Mcf. Due to a spreadsheet rounding error, Citipower erroneously set out an incorrect total ACA of \$0.0939 per Mcf. Citipower's total ACA is \$0.0940 per Mcf, which is a decrease of \$0.0207 per Mcf from its previous total ACA of \$0.1147 per Mcf.

5. Citipower's report sets out a current quarter Balance Adjustment (BA) of \$0.0001 per Mcf. Due to a spreadsheet rounding error, Citipower erroneously set out an incorrect total BA of (\$0.0333) per Mcf. Citipower's corrected total BA is (\$0.0332) per Mcf, which is a decrease of \$0.0063 per Mcf from its previous total BA of (\$0.0269) per Mcf.

6. Citipower's corrected GCR rate is \$8.0264 per Mcf, which is a decrease of \$0.0954 per Mcf from the previous GCR of \$8.1218.

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<sup>3</sup> Due to Citigas being a Citipower affiliate, the Commission pursuant to KRS 278.274(3)(b), shall ensure that the rates charged by the affiliate and ultimately to the consumer are just and reasonable and that an arm-length transaction has occurred.

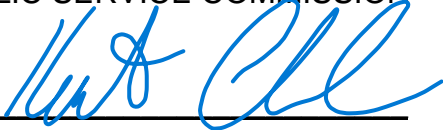
7. The rates set forth in the Appendix to this Order are fair, just and reasonable and are approved for service rendered by Citipower on and after April 1, 2022.

8. 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.
2. The rates set forth in the Appendix to this Order are approved for service rendered on and after April 1, 2022.
3. 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.
4. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Vice Chairman

\_\_\_\_\_  
Commissioner

ENTERED  
MAR 30 2022 rcs  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2022-00045 DATED MAR 30 2022

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	\$ 12.3897	\$8.0264	\$20.4161

COMMERCIAL AND INDUSTRIAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$ 12.4688	\$8.0264	\$20.4952

INSTITUTIONAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$ 13.2893	\$8.0264	\$21.3157

\*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