



Steven L. Beshear  
Governor

Robert D. Vance, Secretary  
Environmental and Public  
Protection Cabinet

Larry R. Bond  
Commissioner  
Department of Public Protection

John Forsberg  
CitiPower, L.L.C.  
2122 Enterprise Road  
Greensboro, NC 27408

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Mark David Goss  
Chairman

John W. Clay  
Vice Chairman

Caroline Pitt Clark  
Commissioner

February 26, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2008-00046  
CitiPower, L.L.C.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on February 26, 2008.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/tw  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST )  
ADJUSTMENT FILING OF ) CASE NO. 2008-00046  
CITIPOWER, LLC )

O R D E R

On March 31, 2000, the Commission issued its Order in Case No. 1999-00225<sup>1</sup> 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 Gas Cost Adjustment ("GCA") clause.

On February 4, 2008, Citipower filed its GCA to be effective March 1, 2008.

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

1. Citipower's notice proposes revised rates to pass on its expected change in gas costs to its customers.
2. Citipower's proposed Expected Gas Cost ("EGC") is \$10.44 per Mcf, which is no change from the prior approved EGC of \$10.44.
3. Citipower's notice sets out no refund adjustment.

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<sup>1</sup> Case No. 1999-00225, The Application of Citipower, LLC for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities.

4. Citipower's notice sets out a current quarter Actual Adjustment ("AA") of \$0 per Mcf. Citipower's total AA is (\$.4446) per Mcf, which is an increase of \$.3220 per Mcf from the previous total AA.

5. Citipower's notice sets out a current quarter Balance Adjustment ("BA") of \$.0339 per Mcf. Citipower used an incorrect factor and beginning balance in its calculation. Correcting for this error results in a current quarter BA of \$.0069 per Mcf. Citipower's total BA is \$.1260 per Mcf, which is an increase of \$.0069 per Mcf from its prior total BA. The Commission Staff's recalculation of the current quarter BA is attached as Appendix B.

6. These combined adjustments produce a GCA of \$10.1214, which is \$.3289 per Mcf more than the previous rate of \$9.7925.

7. The revised rates in Appendix A to this Order are fair, just and reasonable, and should be approved for billing for service rendered on and after March 5, 2008. Citipower did not provide sufficient notice for rates to be effective March 1, 2008.

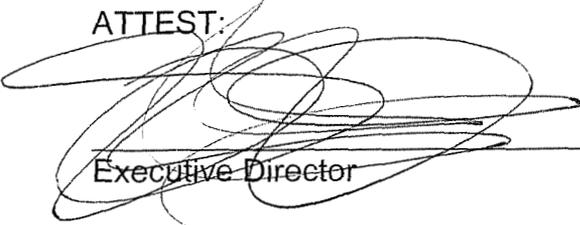
IT IS THEREFORE ORDERED that:

1. Citipower's proposed rates are denied.
2. The rates in Appendix A to this Order are fair, just, and reasonable, and are approved for billing for service rendered on and after March 5, 2008.
3. Within 20 days of the date of this Order, Citipower shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 26th day of February, 2008.

By the Commission

ATTEST:

  
Executive Director

Case No. 2008-00046

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00046 DATED FEBRUARY 26, 2008

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.

#### Residential and Commercial

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Volumetric Rate	\$6.4592	\$10.1214	\$16.5806

The volumetric rate will apply to all Mcfs sold, subject to a minimum bill of \$5.00. In those cases where the usage applied to the volumetric rate results in an amount less than \$5.00, the customer will be charged the \$5.00 minimum.

#### Industrial and Institutional

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Volumetric Rate	\$5.4592	\$10.1214	\$15.5806

The volumetric rate will apply to all Mcfs sold, subject to a minimum bill of \$5.00. In those cases where the usage applied to the volumetric rate results in an amount less than \$5.00, the customer will be charged the \$5.00 minimum.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2008-00046 DATED FEBRUARY 26, 2008

2006-00462 Effective December 1, 2006

	Sales	AA Factor	Refunded	Balance
Beg Balance				(\$21,530)
Dec 2006	11084	(\$0.2525)	(\$2,798.71)	(\$18,731)
Jan 2007	13993	(\$0.2525)	(\$3,533.23)	(\$15,198)
Feb 2007	15652	(\$0.2525)	(\$3,952.13)	(\$11,246)
Mar 2007	8,502	(\$0.2525)	(\$2,146.76)	(\$9,099)
Apr 2007	8,020	(\$0.2525)	(\$2,025.05)	(\$7,074)
May 2007	5,142	(\$0.2525)	(\$1,298.36)	(\$5,776)
June 2007	3,590	(\$0.2525)	(\$906.48)	(\$4,869)
July 2007	3,088	(\$0.2525)	(\$779.72)	(\$4,090)
Aug 2007	2,945	(\$0.2525)	(\$743.61)	(\$3,346)
Sept 2007	2,674	(\$0.2525)	(\$675.19)	(\$2,671)
Oct 2007	4,715	(\$0.2525)	(\$1,190.54)	(\$1,480)
Nov 2007	8,320	(\$0.2525)	(\$2,100.80)	<b>\$621</b>
	<u>87,725</u>		<u>(\$22,150.56)</u>	

Balance remaining on	
AA	\$621
12-months sales	<u>89677</u>
BA Factor	<u>\$0.0069</u>