



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

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

May 28, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2008-00158
CitiPower, L.L.C.

I, Stephanie Stumbo, 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 May 28, 2008.

Executive Director

SS/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST)
ADJUSTMENT FILING OF) CASE NO. 2008-00158
CITIPOWER, LLC)

O R D E R

On March 31, 2000, the Commission issued its Order in Case No. 1999-00225¹ 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 April 30, 2008, Citipower filed its GCA to be effective June 1, 2008. Citipower's tariff states that it shall file a Gas Cost Recovery Rate ("GCR") with the Commission at least 30 days prior to the beginning of each calendar quarter.²

Citipower's GCA clause states:

The "Calendar Quarters" are: January, February and March; April, May and June; July, August and September, and October, November and December.³ Citipower's GCA clause prescribes the "calendar quarter" in question as beginning in April and ending in June. Citipower has been filing its GCA at times other than that specified in its tariff. We are aware that Citipower's tariff does contain a provision of the filing of an "Interim

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

² Citipower, LLC Tariff, PSC KY No.1, Original Sheet No. 14, effective September, 23, 1998.

³ Citipower, LLC Tariff, PSC KY No.1, Original Sheet No. 15, effective September, 23, 1998.

Gas Cost Adjustment,” but this filing does not appear to be filed under that provision. In order to comply with its tariff provision for quarterly filings, Citipower should file its next GCR no later than September 1, 2008 for rates effective October 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 \$13.66 per Mcf, which is an increase of \$3.22 per Mcf from the prior approved EGC of \$10.44.
3. Citipower's notice sets out no refund adjustment.
4. Citipower's notice sets out a current quarter Actual Adjustment (“AA”) of \$1.2215 per Mcf. Citipower's total AA is \$1.1195 per Mcf, which is an increase of \$1.5641 per Mcf from the previous total AA.
5. Citipower's notice sets out a current quarter Balance Adjustment (“BA”) of (\$.0115) per Mcf. Citipower's total BA is \$.1620 per Mcf, which is an increase of \$.0360 per Mcf from its prior total BA.
6. These combined adjustments produce a GCA of \$14.9415, which is \$4.8201 per Mcf more than the previous rate of \$10.1214.
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 June 1, 2008.

IT IS THEREFORE ORDERED that:

1. The rates in Appendix A to this Order are fair, just, and reasonable, and are approved for billing for service rendered on and after June 1, 2008.

2. Citipower shall file its next GCA no later than September 1, 2008 and thereafter shall adhere to the effective dates as contained in this tariff.

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 28th day of May, 2008.

By the Commission

ATTEST


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00158 DATED MAY 28, 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	\$14.9415	\$21.4007

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	\$14.9415	\$20.4007

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.